

Building Better Futures

2022 ANNUAL REPORT



Nambawan
Super





Building Better Futures

Featured on the cover of this year's Annual Report is a proud Member-family.

Sergeant Jack Rahonamo (on the left) of the Royal Papua New Guinea Constabulary (RPNGC) was born in 1962 – the same year as the birth of superannuation as we know it today in Papua New Guinea. The Sergeant has been a Member since 1979, making 2022 his 43rd year with Nambawan Super.

His son, Constable Kevin Jack (on the right) followed in his father's footsteps and at age 36, has been a Member of Nambawan Super for 12 years.

Young Theckla Kevin (in the middle) is Constable Jack's 11-year-old daughter. Having a father and grandfather both working for the RPNGC, she hopes to one day continue the family legacy as a Police Officer and therein become a future Member of Nambawan Super.

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**Building
Better
Futures**

Overview

Introduction

Introduction

This Nambawan Super 2022 Annual Report has been prepared in accordance with the requirements of the *Superannuation (General Provision) Act 2000* (the Act) as regulated by the Bank of Papua New Guinea (BPNG). This Report aims to present an update on the performance of Nambawan Super, also referred to as the Fund, and its results as at 31 December 2022.

The Report will provide a detailed account of the Fund's Corporate Trustee; Nambawan Super Limited (NSL), its operations, and the Fund's overall performance throughout 2022. This Report will include an outline of NSL's People and Culture initiatives; Operating Environment; Governance and Risk structure; Member and Employer engagements; Investment Performance and the Financial Statements. The Report will also outline the Fund's 60-year history; Vision, Purpose and Values; Strategy; Key Achievements and its plans to continue building better futures for its Members now and into the future.

Previous NSL Annual Reports, including the 2021 Report, can be viewed at:

www.nambawansuper.com.pg/about-us/annual-reports



Building better futures

This year, Nambawan Super celebrated its 60th Anniversary of 'Building Better Futures' for our hard working Members throughout Papua New Guinea, both current and past.

The theme, 'Building Better Futures', represents NSL's focus on supporting our Members with quality superannuation services and products throughout their working life, helping them build a better, more comfortable future after they retire. It symbolises NSL's mandate to grow and protect our Members' savings over the long-term, especially during difficult times, which we have done so throughout our 60 years of service to the people of PNG.

In 2022, the notion of building better futures for our Members was at the centre of our operations as we worked on mitigating the adverse effects of unfavourable global and local economic conditions, while continuing to deliver our crucial services.

Regardless of the challenges faced, NSL remains committed to maintaining our high level of Member services through the upskilling of our staff, upgrading of our Branches, delivering superannuation awareness to Members, and continuing the rollout of our Financial Literacy Training for the benefit of our Members.

At Nambawan Super, we aim to continue working with our Members at the heart of everything we do, as we have done for the last 60 years, and will continue to do so for the next 60 years.



**Building
Better
Futures**



Esther Pelis
External Communications Specialist - Nambawan Super





Overview

Chairman's Statement

Reginald Monagi

Overview

On behalf of the Nambawan Super Limited (NSL) Board and Management, I am pleased to announce Nambawan Super's results for 2022.

Last year, despite facing several tough economic challenges, the Fund worked tirelessly to deliver the following results for our Members:

- Nambawan Super's Net Asset Value now totals K8.99 billion (an increase of K170 million);
- Net Profit after Tax for the year 2022 is K144 million;
- Interest credited to Member accounts is 1.6%;
- Total Member contributions of K1.03 billion (an increase from K935 million);
- Total of K1 billion paid out to Members (PNG record high);
- Fund Membership grew to 220,410 (an increase of 5,870 Members);
- 19% increase in Retirement Savings Account Members; and
- 5.3% increase in Choice Super Members.

2022 challenges

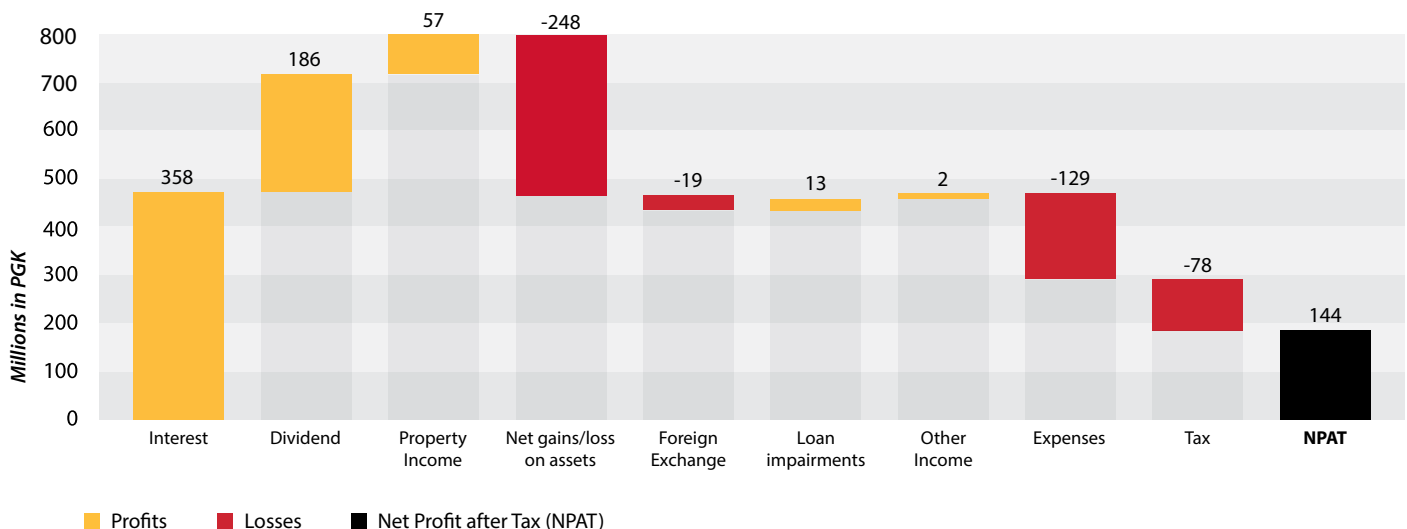
In terms of our investment performance in 2022, NSL saw several of our investments come under pressure due to a combination of:

- High global and local inflation;
- Continued supply chain disruptions;
- Rising fuel and energy prices;
- The introduction of the Additional Company Tax on BSP Financial Group Limited;
- Late payments of State rental arrears, unfunded State Shares and Vested benefits;
- Rising interest rates from Central Banks globally but falling yields on local fixed-income investments; and
- The slowed economic growth of the World's major economies.

NSL's reduced profits for 2022 can be attributed primarily to the valuation losses of our offshore and local investments which totaled K248 million. That is nearly a 3% reduction in crediting rate terms.

The total valuation losses for 2022 represent a K335 million loss from a number of international and domestic investments. These losses were slightly cushioned by gains of K87 million from our domestic listed and unlisted equities.

Earnings and expenses



Building Better Futures

Even as we experienced challenges, NSL has continued to strategically deploy Funds into investments that we expect will bear fruit for our Members long into the future.

Two good examples of this are our investments in the Rangeview Precinct, and soon to be opened Moki Business Park. Combined, these two projects represent a significant investment which has created nearly 2,000 jobs at a time when the PNG economy was struggling.

While both these investments may currently be experiencing lows in terms of valuations, we are confident that as the economy recovers, they will be key assets in generating returns for our Members over the long-term.

Internationally, NSL's offshore investments, which make up about 18% of our investment portfolio, saw the biggest drop in performance as many of the World's leading economies face the prospect of recession.

This has caused many of the businesses operating in those countries, which are usually seen as stable investments with consistent growth, to now struggle in generating returns for shareholders including NSL.

It is important to note that we use the term 'unrealized losses', because these losses can be reversed when the global markets recover. This means that these are paper losses and the Fund would only lose real cash if we decided to sell off these shares at the low values seen in 2022.

However, NSL is a long-term investor utilising a strong diversified investment strategy that aims to de-risk the Fund and produce good returns over a number of years.

In the investment space, it is normal for some years to yield great returns while other years don't. Despite this, NSL has worked hard to ensure that Members' Funds are protected against any long-term losses and continue to grow with good average returns over the long-term.

Our Members

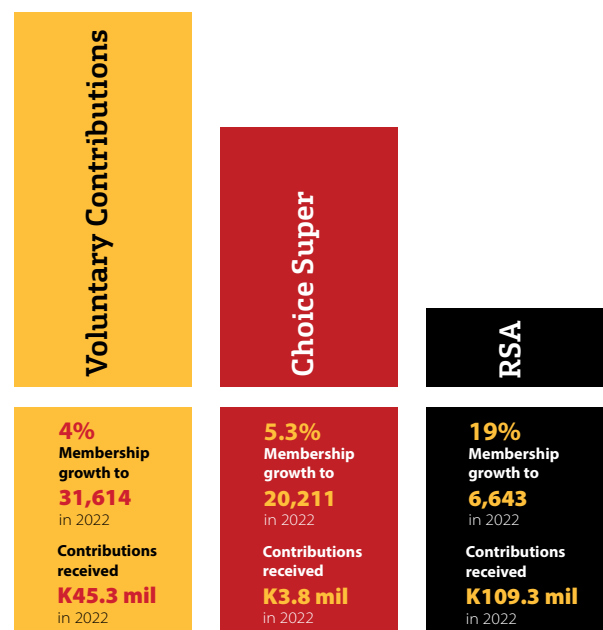
In 2022, NSL continued to deliver positive outcomes for our Members through the following:

- Total of K167 million State Share Benefits received from the State;
- Total of K99 million Housing Advance paid out to support 5,375 Members purchase, build or improve their home; and
- Total of K1 billion paid out through Exits, Normal & Death Benefit Payments, Transfers and Monthly Unemployment Benefits to over 30,000 Members and beneficiaries.

This historical high in benefit payments can be attributed primarily to the State's ongoing retirement program, through which many of our Members exited the Fund.

This is quite a significant achievement for Nambawan Super, as it clearly shows that regardless of economic conditions or social factors, our Members' funds will always remain safe with us and will be available to them as soon as they are ready to retire.

Membership growth and contributions received



Overview

Chairman's Statement

Financial Literacy Training

Alongside our mandated services, NSL has also continued our efforts to build up our Members' basic financial knowledge and capability through NSL's Financial Literacy Training (FLT).

In 2022, NSL delivered the FLT to 3,771 Members from over 40 Employers across all four Regions of PNG.

This increase in the number of Members trained came as a result of relaxed Covid-19 restrictions in 2022, which had initially halted the roll-out of this program the previous year.

NSL aims to continue the rollout of our FLT program with the goal of training 5,000 Members in 2023 and the majority of our Membership base in the future, for the benefit of all our Members.

Building better futures

Looking to the future, we are expecting 2023 to be another tough year for the Fund's offshore and local investments due to the continued unfavourable state of the global economy.

Inflation is expected to remain high both locally and globally affecting households directly as well as businesses. NSL is also expecting to have returns from our investments in the Banking Sector reduced as all Banks now have to contend with the recently increased 45% Corporate Banking Tax.

Additionally, the Fund continues to experience ongoing challenges in retrieving payments from the State for its outstanding rental arrears and unfunded State Shares.

In 2022, the State made a payment of K102 million towards their outstanding rental arrears and a further K167 million to fund the State Share benefits of Members. In the best interest of our Members, we aim to continue working with the State to ensure these outstanding funds are received.

We also remain cautiously optimistic that as projects in

PNG's Oil and Gas Sector like the Papua LNG, Wafi Golpu and P'nyang progress, we expect that the economic growth experienced by the country more than a decade ago could return. For now, we need to weather the storm.

So far in 2023, the Fund has seen valuations recover after recent improved global developments. Our first quarter results for 2023 have seen a much better performance compared to quarter one in 2022 which is promising, however, these initial figures could continue to rise or fall before the end of this year depending on global market trends.

In the meantime, NSL will continue to manage the short-term market volatility and make investments that support PNG's economic growth and deliver strong returns for our Members and their families over the long-term.

Two such investments currently in the pipeline are our Port Moresby 9-mile and Lae Waterfront land development projects. We expect that once these two projects are completed, they will be an excellent source of returns for our Members whilst also boosting the economy and creating jobs for many Papua New Guineans.

We also intend to continue to deliver on our primary goal of growing and protecting our Members' retirement savings, whilst also using our position as an industry leader to influence Policy changes for the benefit of all Papua New Guineans.

We aim to continue advocating for Policy reforms in the Superannuation and Life Insurance industry, as well as reforms to tax on superannuation, including the repealing of harmful levies on the Banking Sector that adversely affect the investments that we rely on to deliver stronger returns for our Members.

As part of the Superannuation and Life Insurance Review Committee, Nambawan Super aims to continue pushing for changes that ensure superannuation is more accessible;





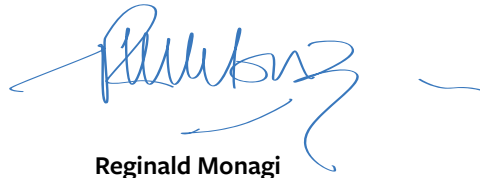
Building Better Futures

Member savings are better protected for the purpose of retirement; and taxes on superannuation are fair and not disadvantaging PNG citizens during retirement. In closing, I would like to reassure and remind our Members that superannuation is long-term, and despite the current tough economic conditions, Members shouldn't be disheartened.

Most of our Members will be with the Fund for up to 40 years, throughout which, there will always be highs and lows, but over the long-term Nambawan Super remains PNG's largest, longest serving and most trusted Fund.

I encourage all Members to continue prioritising their savings and developing their financial management skills to place themselves in a position where they are financially independent and can also lead their communities on a path to building better futures.

On behalf of the Board, Management and staff of Nambawan Super, I thank all our Members and stakeholders for your support throughout 2022 and I look forward to serving you further in 2023.



Reginald Monagi

Chairman of the Board



Lwa Tambua
President - PNG Police Association



Overview

CEO's Statement

Paul Sayer

Opening

I am pleased to present the Nambawan Super Limited (NSL or the Fund) 2022 Annual Report alongside our Chairman Mr. Reginald Monagi.

This year has been quite a difficult year for Nambawan Super as we faced challenges on several fronts, and worked hard to mitigate the adverse effects of the tough global and local economic conditions brought on by factors well outside of our control.

To put this in perspective, NSL employs an investment strategy that aims to diversify risks by running a balanced investment portfolio; whereby, approximately 18% of our investments are deployed offshore (internationally) and about 82% locally (domestically).

This is done to de-risk the Fund when either the offshore or local markets perform poorly. In 2022 however, NSL experienced challenges on both fronts and more so than other similar organizations, as we carry nearly double the international investment portfolio.

As our Chairman has mentioned, while NSL's profits are lower in 2022, the Fund has managed to recoup K87 million from our local listed and unlisted equities.

This positive result can be attributed to good valuation gains made by SP Brewery, OPH, Kumul Hotels Limited and Paradise Company Limited. These gains, however, were largely offset by unrealized valuation losses from Rangeview and Moki.

It's important to note that these two large investment projects are long-held assets that NSL committed to see through for their expected long-term gains.

Accounting rules, however, require us to measure all assets in shorter 12-month cycles. The discrepancy in thinking in terms of our long-term investment horizons versus the accounting rules which apply short-term, has resulted in the falling values of these two assets. We are confident that the valuations of these two investments will improve over time.

It is also just as important to note that the construction of Rangeview, and the commissioning and construction of Moki, were delivered in the midst of Covid-19 restrictions

and an extremely depressed and uncertain economic environment.

These were substantial investments that the Fund had the courage to make when others refrained from taking the risk, and we did so during a time when the local economy and people needed it the most.

Through these projects, much needed capital was injected into the local economy with the flow-on effects that come from job creation and the improved sale of goods continuing today.

As active long-term investors, we have not stopped investing during the tough times and continue to support our local economy, all the while focused on securing the best possible returns for our Members.

Last year, the Fund's focus was on overcoming adversity in the present day, to ensure that we continue to build better futures for our Members in the long-term.

The results for 2022 may be discouraging, however, we want to remind and assure our Members that their funds are safe with us and will continue to grow and be made available when they are ready to retire.

Our work

Despite the tough conditions, the Fund produced a net profit of K144 million, which resulted in the declaration of a 1.6% interest rate for our Members.

I am sure many of our Members will be disheartened by this result. It is completely understandable to feel that way when investments one has made don't go as expected. Nambawan Super understands how hard our Members work day-to-day for their retirement, and how important it is to see positive returns.

It is also important to keep in mind that, as is normal in the investment environment, our investments will always be subject to the economic conditions that we operate in. This can lead to low, high or even potential negative returns for our Members in some years.



In fact, during the earlier parts of 2022, there were very real concerns that Members might receive a negative crediting rate, however, we worked extremely hard to ensure this did not happen.

Considering the extremely tough conditions on the Fund's Investment Portfolio, caused by a very volatile global economy, the final crediting rate of 1.6% for our Members, we feel, is a good result.

The Fund has had to adapt and change our tactics to manage the effects of rising inflation, supply chain disruptions and increased energy costs as well as a number of local challenges that have directly impacted the returns from our investments.

There were also some opportunities that we wanted to take advantage of to offset these challenges, however, we were unable to take action due to the lack of available foreign currency which is unfortunately beyond our control.

In addition to our challenges with the volatile international markets, locally, the Fund has been contending with the reduction of yields from State Securities; which make up nearly 50% of Nambawan Super's Investment Portfolio.

While we have already started seeing some less than favourable performance in this area, we expect to see most of the impact of this reduction in interest rates for State Securities in 2023.

Additionally, the Fund has lost further returns through reduced dividends amounting to approximately K20 million from our shares in BSP Financial Group Limited as it accommodated the State's additional Corporate Banking Tax in 2022.

However, despite the difficult economic conditions, we have continued to protect and maintain Members' savings with over 30,000 Members able to access their funds upon retirement in 2022.

We are extremely proud that, amidst all the challenges, we were able to provide Members with a record-high K1 billion in benefit payments when they, and the economy, needed it the most.

As the largest, longest serving and most trusted Superannuation Fund acting as Trustee for over 220,000 Member accounts, it demonstrates NSL's continued commitment and capability to protect our Members savings as mandated by the *Superannuation (General Provision) Act 2000*.

Our highlights

While there were many things beyond our control in 2022, we focused on what we could control; continuing to deliver on initiatives to improve our investment capabilities, operational performance, and most importantly the quality of service provided to our Members.



Investments

Despite several of our investments struggling to cope with the volatile economic conditions, we have seen a number of promising results.

One such result is the State's agreement to settle its long overdue rental arrears with the payment of K102 million in 2022 towards this purpose.

Although we are very pleased with this result, it is important to note that the large sum received was used to repay several years of arrears which NSL has had to make provisions to accommodate. As such, the positive returns from these properties will only be realized after the full balance of arrears has been settled.

In October 2022, NSL and the State reached an agreement whereby the State would settle the remaining balance of its rental arrears in monthly installments of K10 million. The monthly installments included K5 million for clearing the outstanding balance of K70 million previously accrued, and K5 million to pay its current month's rental invoice due.

Any further delays to the scheduled payments will have a detrimental impact on the interest credited to Members, as the funds are not available to reinvest and grow on their behalf.

Overview

CEO's Statement



Operations

Throughout 2022, we continued to build, upskill and strengthen our local workforce through; further internal and external training, our Graduate Development Program and the implementation of our Nambawan Way Culture initiative.

Several of our staff who have come through our Graduate Development Programs continue to work for the Fund now many years later.

These initiatives are important in ensuring that we attract and retain highly skilled and experienced staff, who in turn will provide the best possible service and results to our Members.

I am also pleased to say that our workforce is now comprised of 99% PNG Nationals with 52% women and 48% men.



Member Services

In 2022, NSL began the implementation of a Branch Relocation and Expansion Project, as part of our continued focus on improving Members' access to superannuation services around the Country, especially in rural centers where the majority of our Members work.

In December, we launched the project with the opening of the newly relocated Daru and Wewak Branches. The relocated Branches were also upgraded to improve Members' experience and ensure our staff have everything they need to deliver the high quality service levels our Members deserve.

In 2023, as part of this exercise, we plan to renovate and upgrade 13 more Branches across the four Regions of PNG, including the addition of three new Branches.

Through this exercise, we want to ensure that we can provide the same welcoming look and feel that is now the standard for our 22 Branches nationwide, so that our Members receive the same level of comfort and service no matter where they are.

Building better futures in 2023

Last year marked Nambawan Super's 60th anniversary of building better futures for our Members and the people of Papua New Guinea.

We chose the theme "Building Better Futures" as it aligned with our mandate to ensure our Members can retire with dignity after contributing to, and supporting the growth of the nation throughout their working lives. We aim to continue to embody this theme in 2023.

Although 2023 is looking to be another tough year for the Fund, as the Trustee for over 220,000 hard-working Papua New Guineans, NSL Management and staff are committed to continuing the work of mitigating the adverse effects of the current economic state, to ensure that we are protecting the savings of our Members now and into the future.

We will also continue our service improvement activities in

2023, to ensure that our Members receive only the best and highest quality service levels wherever they may live and work.

In addition to our Branch and service improvements, NSL is progressing our Customer Experience initiatives which aim to improve the Member experience across every touch point; Contact Call Centre, Employer Relations, Member Data collection, Member uptake of value-added services; and the utilization of Digital Services such as SMS, Mobile App and other online services.

We will continue to focus on developing and implementing these initiatives in 2023 for the benefit of our Members.

I also want to reassure our Members that are considering retirement in 2023, that regardless of the investment and economic challenges that may be faced by NSL, their funds are safe and will be made available to them, including their interest-earned and employer contributions, once they are



Building Better Futures

ready to retire.

Over the last 10 years, NSL has delivered an average interest rate of over 6%, which is above the average Consumer Price Index for that same period. Since the Superannuation Reforms in 2000, NSL has delivered an average interest rate of 10% over the last 22 years.

As such, I encourage our Members to remember that from year-to-year results may go up or down, however, Super is for the long-term. Our results speak for themselves and show that your savings are safe with us and will grow despite experiencing the occasional tough year.

As your Trustee, we will continue to build better futures for all our Members by generating the best possible returns through our investments, delivering quality and innovative services, providing Financial Literacy Training, and ensuring your savings are available and ready for you when you retire.

This is our mandate. We have delivered on this for the last 60 years, and we will continue to deliver on it in the coming 60 years.



Paul C Sayer

Chief Executive Officer

Alfred Galis - East New Britain Province
NSL - For Everyone campaign

Overview

Fund Snapshot

**K144
million**

Net Profit after Tax



K8.99 billion

Net Asset Value

1.6%

Credited
to Member
accounts



**10%
Average**

Interest paid to
Members over
22 years



220,410

Nambawan Super
Members



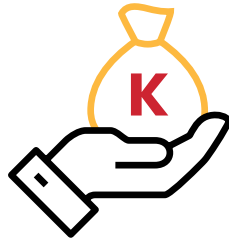
**K264
million**

Saved in Retirement
Savings Account



**K1
billion**

In benefit payments
made to Members



K24 million

Saved in Choice Super



K1.03 billion Contributions received



1%

Management
Expense Ratio



**K99
million**

In Housing
Advances paid to



5,375 Members

48%

Male



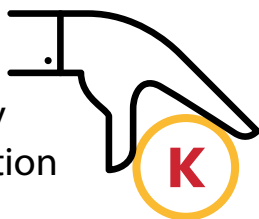
52%

Female

Gender balanced
workforce

**K279
million**

Saved in
Voluntary
Contribution



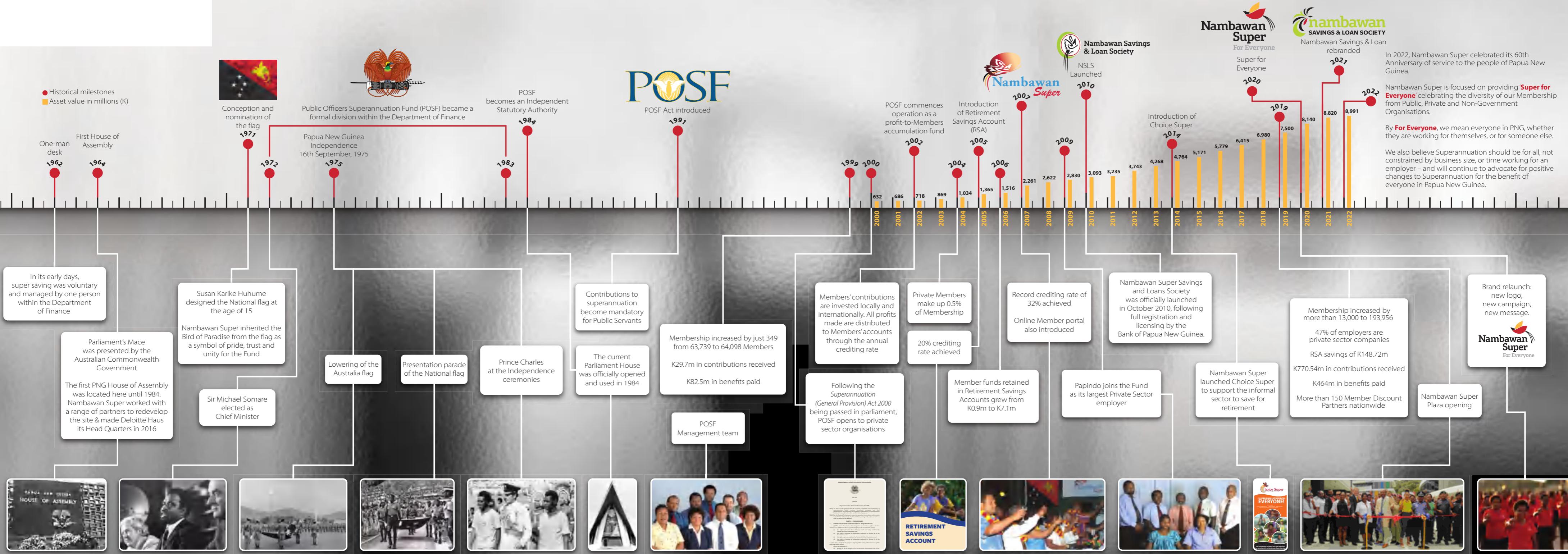
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Our 60-year journey





Building Better Futures

Who we are Story, Vision, Purpose and Values



“
We're building better futures for our Members.
”

“
Papua New Guinea's Nambawan Super Fund.
”

“
We're making sure Members are financially secure for retirement.
”

“
60 years ago, we started with one desk and a vision. Today, we celebrate the growth of Nambawan Super with over 220,000 members!
”

Story, Vision, Purpose and Values

Nambawan Super Limited (NSL or the Fund) is proud to be Papua New Guinea's (PNG) largest and longest serving superannuation fund. Nambawan Super, as with many valued home-grown PNG brands, began its journey from quite humble beginnings as a small pension scheme serving officers of the Public Service in 1962. Being a fund created by the people of PNG for the people of PNG, Nambawan Super has inherited much of the great culture and values that make our Country truly unique. These are the very same values that have made Nambawan Super PNG's most trusted superannuation fund.

In PNG, being a Country founded on agriculture and subsistence farming, our people are accustomed to the notion that investing in their garden today will bear them a good harvest tomorrow. This is precisely the practice that superannuation is founded on, and Nambawan Super capitalises on this tradition encouraging Members to invest in their superannuation savings today so they can enjoy a better retirement tomorrow.

Nambawan Super is staffed and managed by fellow contributors of the Fund and as such we share a familial bond with our Members. We identify as being from the same tribe as our Members; just as it is in our PNG culture, the tribe always takes care of its Members and works collectively towards goals that are beneficial for all. The Fund has taken this value to heart operating as a profit-to-Members fund, ensuring that we always have the best interests of our Members at the forefront of all we do.

As a Member of the larger PNG tribe, we do our part by protecting and growing the wealth of our hardworking Members so that they can have confidence in their future while also contributing through their work in the hospitality, fishing, cocoa, coffee and copra industries; private businesses; and in the public service as teachers, nurses, and police officers.

Nambawan Super is proud to have been part of our Members lives for the last 60 years and we are happy to

have helped enrich the lives of thousands of hard-working Papua New Guineans during this time. We look forward to continue growing our tribe and helping to build PNG's prosperity now and long into the future.

Vision

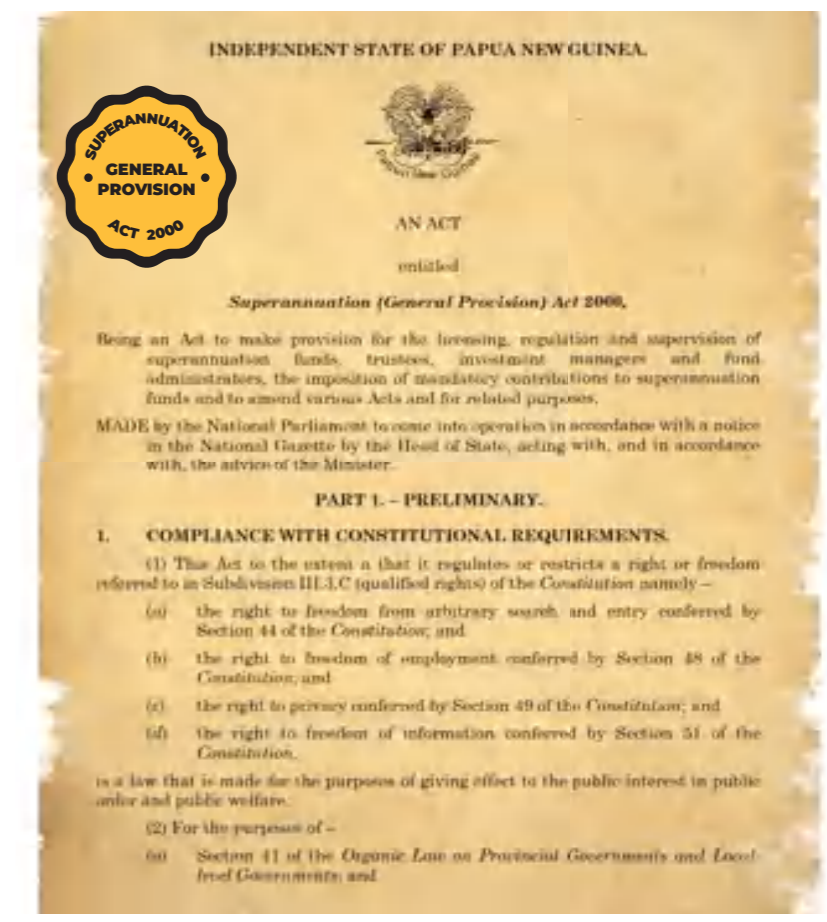
To be recognised as PNG's Superannuation provider of choice with Members at the heart of everything we do.

Purpose

We help Members achieve their best retirement outcomes.

Values

Our values are featured on the next page.

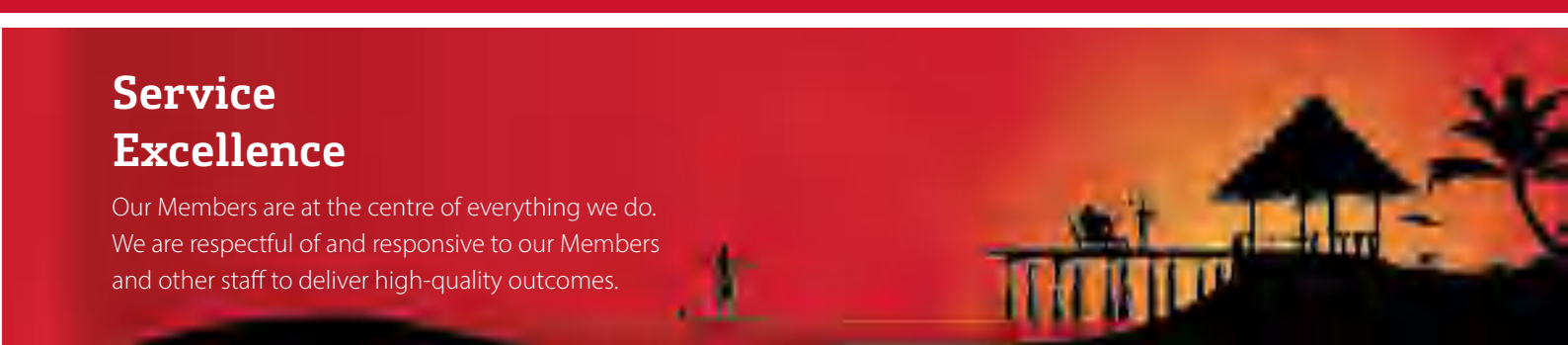




Building Better Futures


Service Excellence

Our Members are at the centre of everything we do. We are respectful of and responsive to our Members and other staff to deliver high-quality outcomes.



Collaboration

We support each other and work together as one team for the benefit of our Members.




Openness

We are open to new ideas and transparent in how we operate and communicate with our Members.



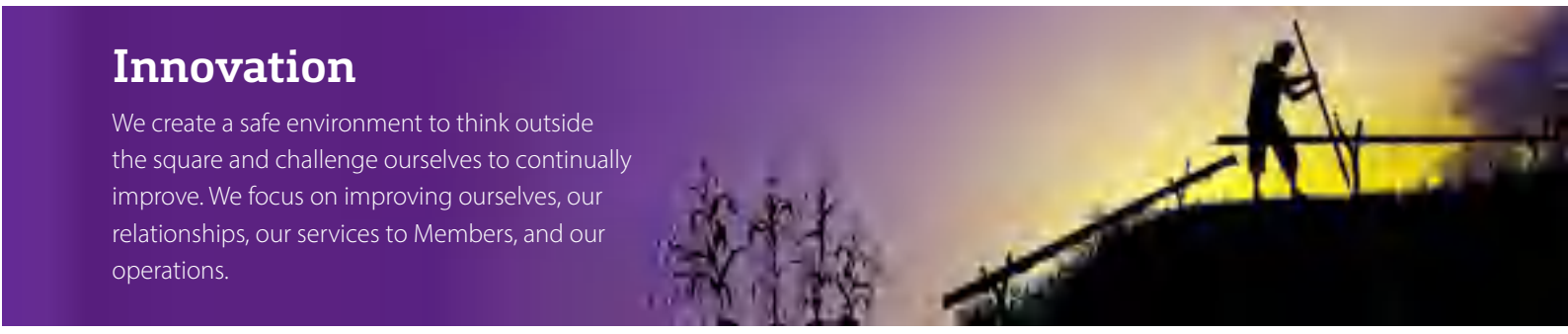
Trust

We all trust and respect each other to do the right thing and be accountable for our actions and outcomes.



Innovation

We create a safe environment to think outside the square and challenge ourselves to continually improve. We focus on improving ourselves, our relationships, our services to Members, and our operations.



Who we are

People and Culture

2022 - Building our people so we can better serve our Members.

Why this matters to us

As the Trustee for over 220,000 hard-working Papua New Guineans, we have embedded a Member-centric culture into everything we do so that we can deliver the best possible retirement outcomes for our Members that depend on us. We are proud of the fact that this culture is upheld by all staff, from our Management team to our Branch Officers, and extends through to our Trustee Directors.

In 2022, the world came out of Covid-19, with organisations like Nambawan Super Limited (NSL) adjusting to normalcy with the addition of "Niupela Pasin" practices. The organisation resumed normal operations from a scheduled roster back to full-time work in the office and Branches. The energy was great as staff looked forward to returning to the office space to work as a team once again. Building on this energy and momentum, the business focused on training and upskilling our staff to better serve our Members.

How we create value

NSL continued to focus on creating a high-performing team by establishing a structure that ensured flexibility to add positions that address evolving business requirements and

allow for career pathways for our people.

With a strong strategic framework in place, supported by the Nambawan Way culture initiative; a reaffirmed focus on applying the Fund's values; and the recruitment and upskilling of a high-performing team, NSL aims to ensure that we are positioned to deliver the best possible results for Members now and into the future.

Our aim is to continue to attract and retain the best talent in PNG, to ensure we have the capacity to grow the Fund for the benefit of our Members.

NSL human resources continued to focus on training and in 2022, executing training plans that resulted in a total of 14,317 training hours across all levels of the business from our facility staff to the CEO. This ensured our staff are getting the training required to build on their current skills to equip them for the future.

Performance

In 2022, NSL continued work on building our online employee systems making them more efficient and user-friendly. In line with this, our onboarding module was implemented in 2022 which aims to enable faster and smoother onboarding of all our new hires. This ensures that staff management processes are completed in a timely

14,317 Total training hours

85% Staff satisfaction 

Value Champion Awards

36 total awards | **19** from Branches | **17** from Pom

Gender Diversity

48% Males  **52%** Females 

34  Positions filled

5% Turnover rate



Building Better Futures

manner, allowing staff to spend more time delivering services to Members.

In addition, NSL established a new organisational structure which was approved by the board in late 2022. This structure will enable the Fund to operate with the right roles to drive growth and serve our Members at the highest standards.

Another People and Culture highlight of 2022 was the recognition of staff development with the promotion of 15 staff, six lateral movements and the placement of five graduates into permanent roles after the completion of our fifth Graduate Development Program.

Additionally, the yearly staff engagement survey results showed that there is high engagement within NSL, which links to the low turnover rate and is indicative of a workforce that is motivated and willing to continue with NSL to deliver results for Members.

NSL gender diversity is at an almost balanced percentage of males versus females. This has been the trend all year round. Of the 34 new hires in 2022, 50% were males and 50% females.

Building better futures

As the Fund continues to grow, the need for a highly skilled and dedicated NSL team becomes increasingly important to ensure we are delivering the best results for our Members. As such NSL aims to continue developing innovative organisational People and Culture practices to attract, retain and upskill our team Members for the overall benefit of the Fund.

The organisation aims to continue rolling out training for staff to develop local talent at all levels within the Fund, not only to improve the level of service for our Members but also to support the building of PNG's skilled workforce for nation-building.

Additionally, we aim to continue delivering a high standard of service to our Members by ensuring that staff are retained, motivated, valued and appropriately resourced. We aim to do this through the implementation of our Nambawan Way Culture initiative, training programs and activities that support our staff.

NSL aims to be the employer of choice attracting and retaining the best talent in PNG. Our goal in 2023, is to take care of our staff so that they can take care of our Members as we work together to build better futures.



People & Culture team

Who we are

Context of the Fund

Regulatory environment

Nambawan Super is an Authorised Superannuation Fund operating as an accumulation fund regulated by the Bank of Papua New Guinea (BPNG) in line with its *Prudential Standards* and approved under the *Superannuation (General Provision) Act 2000* (the *Act*). Nambawan Super Limited (NSL) is a profit-to-Members institution that is governed by the Nambawan Super Independent Board of Trustee Directors and managed by NSL as the Trustee, with the mandate of generating wealth for its Members for use throughout their retirement.

As stipulated in the *Act*, the Trustee engages a Licensed Investment Manager to provide advice when formulating or amending the Investment Objectives and Investment Strategy of the Fund. The Trustee also operates with the support of an external Fund Administrator that provides administration services for the Fund. These regulations ensure that the Trustee manages the Fund in accordance with the *Prudential Standards* of the *Act* as well as to implement good governance practices that safeguard Members' savings adhering to the corresponding legislations.

Economic environment

The global economy entered 2022 at a weaker position than anticipated due to the adverse developments encountered at the end of 2021. The expectation that recovery in advanced economies would offset weaker growth across emerging and developing economies was tarnished by the pandemic's continued grip, and the negative spill over from the Russia-Ukraine war; causing mobility restrictions and financial market volatility.

Global growth slowed to 3.4% in 2022. This is 1% lower compared to predictions made in the October 2022 International Monetary Fund economic updates. PNG's Gross Domestic Product (GDP) is estimated to be at K134 billion in 2022 compared to the 2021 GDP which was K93.1 billion. The annual headline inflation also increased to 6.3% in September 2022, according to the PNG National Statistics Office.

In the *2022 National Budget Paper*, the revenue envelope for 2022 was projected at K15.7 billion with a target revenue of K26 billion against a revised expenditure of K21.8 billion. This resulted in a budget deficit of 6.0% of GDP, continuing the persistent record of budget deficits. Nevertheless, the Government of PNG (GoPNG) introduced a Relief Package of K728 million to ease the cost of living pressures on families brought about by the Russia-Ukraine war. The GoPNG also announced a further K611 million Household Assistance Package in the 2022 Supplementary budget that helped lower fuel prices, income tax and the price of basic goods.

The Extractive Resources sector, which accounts for the largest portion of PNG's GDP, experienced some growth underpinned by favourable performances from major mines such as Ok Tedi, Lihir and Simberi. Pogera mine remained closed and is expected to resume production in the second quarter of 2023.

The sector is projected to rebound and grow by 17.3% in 2023, which is a reduced percentage compared to the projected growth of 35.8% in 2022. Regardless, this bodes well for PNG businesses and local investors, including Nambawan Super, as an indicator of potential strong long-term economic growth for all sectors of the PNG economy.

Strategic output

In 2022, NSL continued into its second year of implementing its 5-year Strategic Plan, with a number of Strategic Initiatives completed and rolled out. The main focus areas, as per the Strategic Plan, are NSL's Member centricity, providing quality Member services, strategic investments and asset allocation to achieve the maximum returns for our Members as well as to build innovation into our working culture for improved Member services.

This year saw challenges in both the domestic and international markets which affected a number of NSL investments. This also affected the PNG economy causing

higher rates of inflation and an increase in the Central Bank interest rates, as well as foreign currency shortages. This impacted the Fund's efforts in reaching the target FUM growth in 2022 and the delivery of the target interest rate for Members.

In 2022 despite external challenges, NSL continued work on its Customer Experience Strategy that was introduced in 2021. As part of this strategy, NSL looked at ensuring all NSL Branches nationwide have the same look and feel. The Branch Relocation and Expansion Project continued in 2022 with the completion and opening of Daru and Kiunga. In 2023, NSL aims to have an additional 13 Branches completed and launched. The project is expected to continue through to 2025 encompassing the upgrading of all NSL Branches.

In addition, a key goal of the Customer Experience Strategy is to provide better service levels through NSL's Branches, Call Center and Employer Relations. In 2022, NSL has embarked on improving its customer service through tailored customer service training for its staff and will continue to conduct these upskilling exercises in 2023 and further.

Internally, NSL has worked to encourage its staff to propose new and innovative ideas through its Nambawan Way culture program. This program has been a success with a number of innovative ideas focused on improving our products and services being presented with the goal of implementing them in 2023. One such initiative which has been discussed, is providing a life insurance product for Nambawan Super Members.

The Fund has also been working on the delivery of several projects that have been ongoing since 2021 and are set to go live in the year 2023. One such project is the Nambawan Employer Pay (NEP) which aims to assist our employers update, send and reconcile Member contributions with the

Fund in a seamless and efficient manner with improved turnaround times.

Another of the Fund's ongoing strategic initiatives is centered around ensuring its Cyber Security measures are continuously updated to protect Members. Throughout the year, the Fund held a number of sessions on the importance of cyber security and how it can better safeguard its Members' data. The Fund is also developing its Data and Digital Governance Framework which will be finalised in 2023. In addition, the Fund has established a Data Remediation Team that is tasked with addressing the data challenges in updating Member biodata and assisting with the full implementation of the NEP project.

Throughout 2021 and 2022, NSL has also contributed immensely towards the Superannuation and Life Insurance review and aims to continue to advocate for changes required in the industry in the interest of its Members. The Fund had also developed and approved its Anti-Money Laundering and Counter Terrorist Financing Policy in 2022. In 2023, NSL aims to begin the development of its Environmental, Social and Governance framework and policy that aims to aid the overall strategy of the fund in 2023.

In summary, the Fund is pleased to have embarked on and continued to deliver a number of initiatives in 2022. These initiatives are important as they ensure that the Fund is continuously looking at improving its approach to Member services, Corporate Governance, security, and effectiveness as a Trustee. NSL will continue to deliver on these initiatives in 2023 and throughout the duration of its 5-year Strategic Plan, for the benefit of its Members.

Who we are

Context of the Fund

Vision, Mission and Values

Vision

To be recognised as PNG's Superannuation provider of choice with Members at the heart of everything we do.

Mission

We help Members achieve their best retirement outcomes.

Corporate Values

- Service Excellence
- Collaboration
- Openness
- Trust
- Innovation

The Fund's strategy is underpinned by 5 pillars

Strategic investment and fund management

Our investments are strategic, diversified and aligned to our risk profile, to optimize the return for Members.

High quality intergrated Member experience

The Member experience is tailored to their needs and consistent across organisational touch points.

Develop our people and culture to deliver our vision

We are a values-based, performance-focused organisation that supports and develops its people.

Foster innovation

We are innovative and creative in product and service design and leverage technology to improve our efficiency and effectiveness.

Regulatory compliance and improvement

We are proactive in our compliance including our Environment, Social and Corporate Governance obligations, and work with Government and other stakeholders to create a regulatory environment to support our Members needs.

Transformed into 5 strategic outcomes

Our Members' investments

- A more diversified and liquid investment portfolio.
- Technology and skills to deliver real time reporting and improve investment decisions.
- Improve investment and property management.

Customer experience

- Member-centric Fund.
- Growing the financial knowledge of our Members.
- Consistent Member experience across the Fund.

Developing human capital

- Identify best talent.
- Organisation that supports career development.
- A stimulating workplace that supports diversity and inclusion.
- Capability development to deliver high quality outcomes.

Transforming the Fund

- Data driven insights to test new Member products and services.
- Dedicated resources to develop innovative solutions to business outcomes.
- Organisational culture that enables staff to foster innovation for the benefit of NSL.

Industry champions

- Key influencer of superannuation sector reforms.
- Safe data integration between technological platforms.
- Strong alignment between Fund and Regulator.
- Aligned Governance Risk Management and Compliance.



Building
Better
Futures

Hanuabada girl - National Capital District
NSL - For Everyone campaign

How we work

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Building Better Futures



How we work

Corporate Governance

Why this matters to us

Nambawan Super Limited (NSL or the Fund) is entrusted with the savings of everyday, hardworking Papua New Guineans. Superannuation savings are often the only savings our Members have after a lifetime of work, and for many Members, superannuation is an incredibly important asset that is helping Members retire and live with dignity for many years.

Prior to the introduction of the *Superannuation (General Provision) Act 2000* (the Act), PNG superannuation funds had been unable to establish consistent, strong growth of Funds Under Management for Members.

The Act, introduced crucial reforms to governance, investment decision-making, sustainability and good regulation.

A key to making the superannuation funds sustainable has been the compulsory payment of employer contributions to Members' accounts. This pool of funds needs to be deployed, and this home-grown pool of investment capital is helping to build the nation while making returns for Members.

Good governance ensures that as a profit-to-Members Fund, Nambawan Super delivers real returns for Members over the long-term, and we have the good fortune of also investing directly into building PNG.

How we create value

NSL is a defined contribution fund (accumulation fund), approved under the Act. The Fund is governed by the Board of Directors of NSL, the Fund's Corporate Trustee (the Trustee). The Fund exists to invest and grow amounts contributed by or on behalf of Members for their retirement. It has no purpose other than to serve the interests of its Members.

The Trustee's primary responsibility is to ensure that the Fund is managed according to the Principles of Good Corporate Governance. To achieve this objective, the Board implements five key Corporate Governance Principles across its operations. These Corporate Governance Principles are:

1. Compliance with the Law
2. Effective Leadership
3. Integrity
4. Accountability
5. Risk Management

NSL is an Authorised Superannuation Fund, monitored and regulated by the Bank of Papua New Guinea (BPNG) and is subjected to the *Prudential Standards* released by BPNG from time to time. The BPNG *Superannuation Prudential Standard 7/2012* on Corporate Governance sets out specific requirements for the Board structure and responsibilities, including Investment, Risk Management and Remuneration of License Holders and its officers, to ensure that License Holders are prudently managed and that reasoned, informed and impartial decisions are made, in the best interest of its Members.

The Board's structure and composition in 2022:

- 1 Chairperson;
- 8 Trustee Directors;
- 7 Member Representatives;
- 5 Board Committees;
- 8 Board meetings; and
- 34 Committee meetings:
 - 7 Audit & Risk Committee meetings;
 - 7 Remuneration & Nomination Committee meetings;
 - 11 Investment Committee meetings;
 - 5 Transformation Committee meetings; and
 - 4 Membership Committee meetings.





Building Better Futures

Building better futures

The Board continues to review and improve its systems and processes to ensure that oversight of Management translates to better experience for our Members as well as good returns on investments.

Improved Member experience and ease of doing business with the Fund continues to be key focus areas for the Board in 2023. The Board will also commence its Environmental, Social and Governance (ESG) journey with an aim to ensure all business and investments of the Fund are aligned to its ESG goals and principles.

A number of long serving Directors came off the Board in 2022 and this will continue over the next two years.

As part of the Board's succession plan, the Fund aims to continue developing PNG's pool of Directors with the appointment of the third cohort of its Trainee Director program in 2023.

The two-year program is designed to give aspiring, young professionals board-level exposure by allowing the Trainee Directors to attend and participate in meetings of the Board and its Committees. The program also aims to encourage the development of more female Directors in PNG's Financial Sector.

1

Chairperson

8

Trustee Directors

7

Member Representatives

5

Board Committees

8

Board Meetings

34

Committee Meetings



Dame Meg Taylor, DBE
Deputy Chairperson

How we work

Board

Board

The Nambawan Super Limited (NSL or the Fund) Board comprises of all Independent and Non-Executive Directors. Consistent with best governance practice, the majority of Directors are residents in PNG with two overseas Directors.

The Nambawan Super Board adopts an independent process for any new Director required to fill in vacancies aligned to its succession plan and requisite skill set assessment.



Chairman

Reginald Monagi

*Director since September 2014.
Appointed as the Board Chairman
since June 2020.*



Deputy Chairperson

Dame Meg Taylor, DBE

*Non-Executive Director.
Director since February 2021.
Appointed as the Deputy
Chairperson in July 2021.*



Trustee Director

Prof. David Kavanamur, PhD

*Non-Executive Director.
Director since August 2012 up to
February 2022.*



Trustee Director

Alan Kam

*Non-Executive Director.
Director since March 2014 up to
December 2022.*



Trustee Director

Lutz Heim

*Non-Executive Director.
Director since July 2016.*



Trustee Director

Karen Gibson

*Non-Executive Director.
Director since February 2017.*



Trustee Director

Richard Sinamoi

*Non-Executive Director.
Director since December 2019.*



Building Better Futures

Board changes in 2022

A number of appointments to the Board were made in 2022. The Board welcomed Dr. Thomas Webster and Mr. Michael Uiari in February 2022, Mr. Daniel Siaguru-Khaisir in March 2022 and later welcomed Mr. Philip Samar and Mr. Chris Wade in October and December 2022 respectively.

The Board also farewelled Directors Prof. David Kavanamur, a long serving Director in February 2022, Dr. Thomas Webster in May 2022 who resigned for personal reasons, and Mr. Alan Kam who retired in December 2022.



Trustee Director
Dr. Thomas Webster, PhD

*Non-Executive Director.
Director since February 2022.
Exited May 2022.*



Trustee Director
Michael Uiari

*Non-Executive Director.
Director since February 2022.*



Trustee Director
Daniel Siaguru-Khaisir

*Non-Executive Director.
Director since March 2022.*



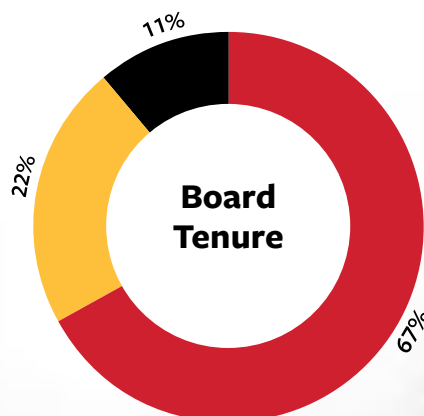
Trustee Director
Philip Samar

*Non-Executive Director.
Director since October 2022.*



Trustee Director
Chris Wade

*Non-Executive Director.
Director since December 2022.*



- 0 - 3 years
- 4 - <7 years
- 7 - 9 years



If you would like to know more about our Board, visit:
www.nambawansuper.com.pg/about-us/our-board



How we work

Board Committees

Committee structures

Board Committees have specialised responsibilities and support the Board to provide robust oversight of the management of Nambawan Super. Committee Members consist of Directors who report to the full Board. The Membership Committee is the only committee that consists of both Directors and Member Representatives.

The Board has from time to time established specific ad-hoc Board Committees with specific terms of reference to deliver

within a certain timeframe. Members of the Board will be appointed to these ad-hoc Committees as required.

Meeting attendance

All Directors are required to attend all scheduled Board and Board Committee meetings. In 2022, attendance to Board and Committee meetings are as presented in the table below.

Directors' attendance at meetings in 2022

Directors	Board	Audit & Risk Committee	Investment Committee	Remuneration & Nomination Committee	Transformation Committee	Membership Committee
Reginald Monagi	8/8	NA	NA	NA	NA	NA
Dame Meg Taylor, DBE	7/8	2/2	NA	6/7	NA	4/4
* Prof. David Kavanamur, PhD	1/1	NA	1/1	1/1	1/1	NA
Alan Kam	7/8	NA	9/10	6/6	4/5	NA
Lutz Heim	8/8	7/7	11/11	NA	NA	NA
Karen Gibson	8/8	7/7	NA	1/1	5/5	NA
Richard Sinamoi	7/8	2/2	11/11	NA	NA	4/4
** Dr. Thomas Webster, PhD	3/3	NA	NA	1/1	1/1	1/1
Michael Uiari	7/8	5/5	9/10	NA	4/4	NA
Daniel Siaguru-Khaisir	7/7	5/5	NA	6/6	4/4	4/4
Philip Samar	1/1	NA	NA	NA	NA	NA
Chris Wade	NA	NA	NA	NA	NA	NA
Membership Representatives						
Maini Ugaia						3/4
Santee Lou Margis						4/4
Lowa Tambua						4/4
Daniel Mollen						3/4
Fredrick Kebai						4/4
Brett Philip						2/4
Vele Ravu-Gamini						3/4

* Prof. David Kavanamur left the Board on 25 February 2022

** Dr. Thomas Webster left the Board on 13 May 2022

Committees	Chair	Members
<p>Audit and Risk Committee Provides independent review and objective appraisal of the financial and operational activities of Nambawan Super in the legal, risk and compliance space. The Committee provides the Board with information necessary for them to fulfil their responsibilities in making informed financial and operational decisions in the best interest of the Fund and its Members.</p>	Lutz Heim	<p>Karen Gibson Michael Uiari from February 2022 Daniel Siaguru-Khaisir from March 2022</p>
<p>Remuneration and Nomination Committee Reviews and makes recommendations regarding NSL's remuneration and performance frameworks, and assesses and recommends the appointment of Directors, CEO and Responsible Persons to ensure the Trustee has the appropriate balance of skills, experience, independence, and diversity to discharge its duties and responsibilities.</p>	Dame Meg Taylor from February 2022	<p>Alan Kam from February 2022 Daniel Siaguru-Khaisir from March 2022 *Prof. David Kavanamur up to February 2022 **Dr. Thomas Webster from February to May 2022</p>
<p>Investment Committee Responsible for ensuring that all investments made by the Fund are within the requirements set by the Bank of PNG and in the best interest of Nambawan Super Members.</p>	Alan Kam	<p>Lutz Heim *Prof. David Kavanamur up to February 2022 Richard Sinamoi Michael Uiari from February 2022</p>
<p>Transformation Committee Assisting the Board, CEO and Executive Management in all facets of business management, technological and strategic advancements, including assessing environmental and any external influences that have the potential to impact NSL's strategic direction, and recommending appropriate monitoring and evaluation processes and operating ethos.</p>	Karen Gibson from February 2022	<p>Michael Uiari from February 2022 Daniel Siaguru-Khaisir from March 2022 *Prof. David Kavanamur up to February 2022 **Dr. Thomas Webster from February to May 2022</p>
<p>Membership Committee Ensures the Board, CEO and Executive Management remain responsive to Members' needs and provides an essential consultation forum between the Fund and the Membership.</p>	Richard Sinamoi	<p>Dame Meg Taylor Daniel Siaguru-Khaisir from March 2022 **Dr. Thomas Webster from February to May 2022</p>
<p>Member Representatives</p>		
PNG Teachers' Association		Maini Ugaia
PNG Energy Workers Union		Santee Lou Margis
Amalgamated General Workers Union		- Vacant
PNG Fire Fighters Union		- Vacant
PNG Police Association		Lowa Tambua
Correctional Services Employees' Association		Daniel Mollen
PNG Nurses' Association		Fredrick Kebai
Public Employees Association		Brett Philip
Department of Personnel Management		Vele Ravu-Gamini

How we work

Risk

Risk management

We have in place a Risk Management Framework (RMF) and it manages the risks associated with our policies, processes and people within Nambawan Super Limited (NSL). The RMF in place ensures superannuation contributions are secured and that we adhere to the highest standards of managing our operational risk, accountability and compliance in our policies and procedures in the Fund.

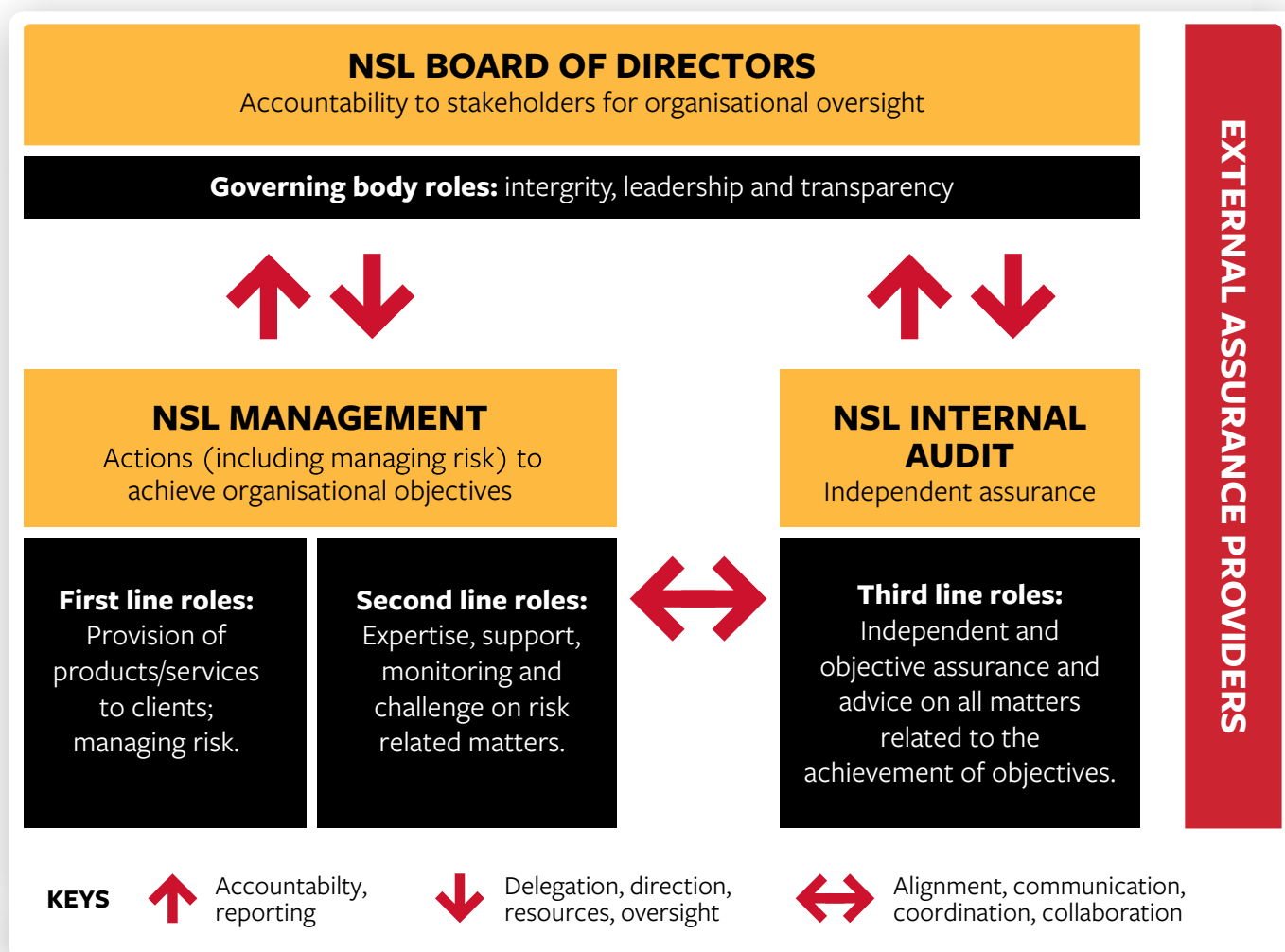
The RMF serves as a guide for Management to implement the established Enterprise Risk Management (ERM) system to identify, assess, manage, mitigate, and monitor all our

corporate strategic risks in accordance with The Three Lines Model of the Institute of Internal Auditors (IIA).

The Three Lines Model focuses on a governance structure of reporting, accountabilities and relationships that prudently manage the business operations that are responsible for their own risk.

NSL Risk Function continues to improve oversight, utilising the ERM system to ensure visibility of risks and risk management activities covers strategic and operational risk.

The Three Lines Model



NSL Board has the overall responsibility of risk management, however, Management and staff at all levels are responsible for the process and control of risks.

Compliance

We have in place a compliance team that is managing the function as a second line role, to provide oversight and monitoring of all compliance matters including regulatory compliance of all NSL obligations, *Prudential Standards* and reporting any non-compliance issues to the Audit and Risk Committee (ARC).

The compliance function has prepared the Anti-Money Laundering and Counter-Terrorist Finance (AML/CTF) Framework as a reporting entity that is registered with the Financial Analysis and Supervision Unit (FASU) in accordance with the *Anti-Money Laundering and Counter Terrorist Financing Act 2015*. PNG is a Member of the Asia Pacific Group, a regional body that conducts mutual evaluations to determine the level of compliance with international standards set by the Financial Action Task Force.

Since NSL is the largest super fund, FASU has identified NSL as a potential financial institution that would undergo a mutual evaluation in 2023. The NSL Compliance team is developing policy and procedures to minimise AML/CTF or compliance risks and ensure organisational objectives and activities are aligned with the *Anti-Money Laundering and Counter Terrorist Financing Act 2015*.

Internal Audit

Internal Audit is the third line of defense in the Three Lines Model. It conducts an independent analysis of the systems and processes in place, and provides objective assurance and advice to Management through the ARC.

It conducts risk based auditing on an annual basis and its activities are designed to add value and improve NSL's operations. Internal Audit reports functionally to the ARC and administratively to the CEO.

External assurance providers

PricewaterhouseCoopers (PwC) PNG has been NSL's external auditor for over 10 years. The audit service is tendered on a three-year cycle. According to the Three Lines Model, PwC PNG reside outside of the model and play an important role in providing assurance to NSL's financial reporting process and controls.

Other external assurance providers included the Bank of PNG (BPNG). In 2022, BPNG performed an onsite review of the superannuation fund administration and other key operational functions under the *Superannuation (General Provisions) Act 2000*.

When coordinated effectively, external auditors, regulators and other groups outside the company are considered as additional lines of assurance to the Board, Management, Members of the Fund and other stakeholders.

NSL will be calling a tender for audit services in 2023 which is at the end of the three-year term of PwC.

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**Building
Better
Futures**



What we do

Members and Employers

Why this matters to us

Nambawan Super Limited (NSL) Members, from both the Private and Public sectors, are PNG's nation-makers. They are hard-working, and their career success also comes with the responsibility – and sometimes the burden – of being a provider. This is why NSL strives to ensure we are doing our best to support them with our superannuation services and protect their savings so that when they complete their careers, they can enjoy the comfortable retirement that they deserve.

How we create value

NSL takes pride in our high level of service delivery to our Members through the delivery of superannuation product awareness, Financial Literacy Training and general Member education. Though our primary goal is to grow and protect the savings of our Members, we believe that it is just as important to help our Members make informed decisions now so that they can reap the benefits when they retire.

We value our Members and continue to work on improving our service delivery across all our Member facing and non-Member facing functions, ensuring that Members can readily access our services whilst also enjoying a welcoming experience each time they visit us at our Branches or talk to us through our Call Centre.

Performance

Delivering high-quality service to Members and stakeholders continues to be the key focus of the Fund in 2022. Service excellence and customer experience is a collective and collaborative effort led by NSL's Contact Centre, Employer and Stakeholder Relations and Branch teams with the support of the whole organisation. In 2022, the Fund worked to maintain relationships with our valued Members, employers and stakeholders ensuring that the Fund continued to deliver products and services that cater to their various needs and expectations. This

work has resulted in a number of achievements throughout our operating sectors which have supported NSL's goal of continuous improvement for the benefit of our Members.

Call Centre

NSL's Call Centre comprises of our customer service agents that manage Member queries and applications through our Toll-Free number and Call Centre email. The Call Centre team's focus in 2022, was on enhancing the quality of our service delivery to our Members through the following channels:

- **Call Centre Toll-Free number: 180 1599**
- **Email: CallCentre@nambawansuper.com.pg**

As part of improving the Member experience, further changes were made to the Call Centre email channel, so that it became fully dedicated for our Members. Furthermore, additional resourcing and temporary staff were engaged during the year which had a positive impact on our service delivery.

In 2022, we experienced a peak in call volumes during the months of January to March and October to December. Benefit payment queries rated as the most frequent reason for Members calling into the Call Centre, which made a third of the total calls for 2022, followed by Housing Advance queries. Through our email platform, the main query was from Members seeking their Account Statements. The Call Centre team also supported Nambawan Savings & Loans Society Member queries throughout the year.

As a result of Covid-19 disruptions to Branch operations, we experienced an influx of Members opting to communicate via the Call Centre with their queries and request. The Call Centre team ensured that Members were served in a timely manner despite disruptions on the ground, which proved extremely valuable during the unpredictable Covid-19 Pandemic.

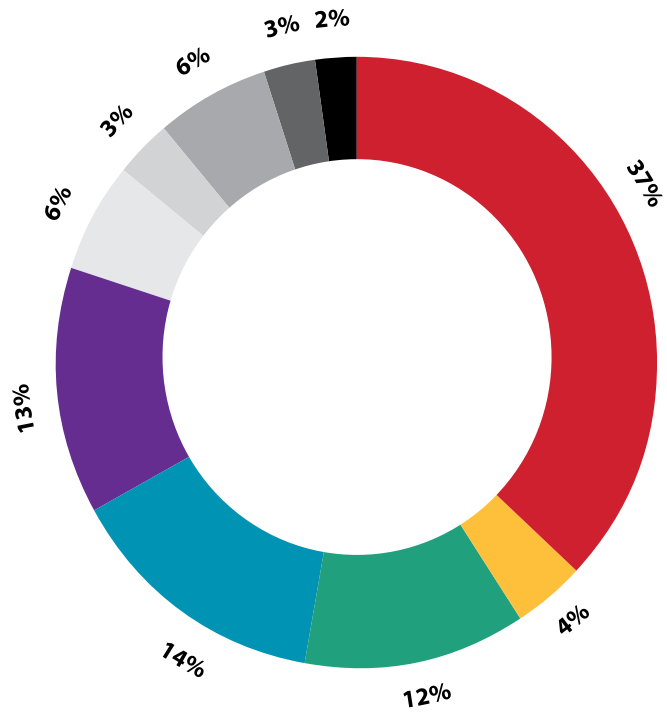


Branch

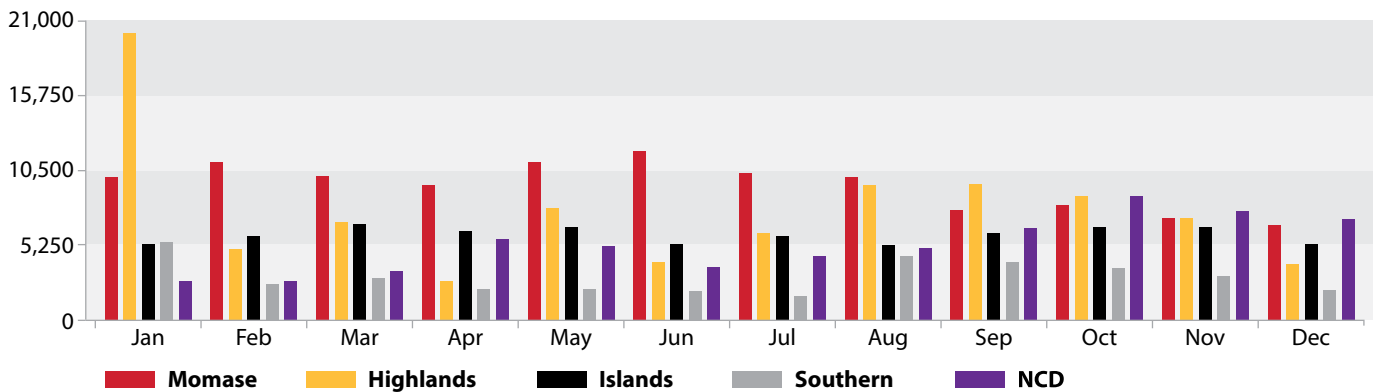
In 2022, there were over 380,000 queries handled over the counter. The Momase and Highlands regions continued to experience most number of counter queries, as was the case in previous years.

Type of queries in 2022

- Statements
- Member Detail Updates
- Housing
- Nambawan Savings & Loan Society
- Benefit payments (Refund)
- Retirement Savings Account
- Voluntary Contribution
- ID card
- State Share liability
- Choice Super



Total counter queries in 2022



What we do

Members and Employers

Apart from business as usual work in 2022, NSL began implementation of the Branch Relocation and Expansion Project which aims to improve Members' access to superannuation services in and around the Country, both in rural and urban centres.

In December, NSL launched the project with the opening of the newly relocated Daru and Wewak Branches. The relocated Branches were also upgraded to improve Members' experience and ensure our staff have everything they need to deliver the high quality service levels our Members deserve.

In 2023, as part of this exercise, NSL plans to renovate and upgrade 13 more Branches, including the addition of three new Branches across the four Regions of PNG. The first of these Branches expected to undergo the exercise are the NSL Kiunga, Wabag, Buka and Arawa Branches. NSL is also pursuing Branch setups at the district level in Namatanai, Biialla and Kainantu.

The Branch Operations team have also taken several positive steps towards further improving our services provided to Members. This includes improved tracking of Member applications, and communication with stakeholders to ensure turnaround times are at an acceptable level for Members. This was achieved through staff upskilling, improved system efficiency and ensuring adequate resourcing.

This year, however, was not without its challenges. The NSL Branch Team experienced limited opportunities to progress Member Engagements, Financial Literacy Training, New Employer recruitment and Choice Super recruitment due to the 2022 National General Elections (NGE) as well ongoing Covid-19 restrictions. Despite these challenges, NSL did see strong results from Retirement Savings Account recruiting, as the State continued its ongoing retirement program.

Customer Experience

In 2021, NSL identified the need for high-quality Member experience as a matter of priority and established this as a strategic pillar of the NSL 5-year Strategic Plan. NSL also began the development of a Customer Experience (CX) Strategy

and established a CX Working Group to implement this key initiative of the Strategic Plan.

In 2022, we continued the implementation of several activities identified under the CX Strategy that aim to greatly improve NSL Member experience throughout the Fund's various Member facing divisions.

The activities included work on improving Branch services; Contact Centre enquiry management; Employer Relations engagement; Member data collection; Member uptake of value-added services; and utilisation of SMS, app and online services by Members.

The CX Working Group aims to continue executing on this initiative in 2023, to ensure that NSL continues to deliver excellent Member experiences and services throughout all our Branches.

Business Development

In 2022, 16 new businesses joined the Fund. In addition to establishing strong relations with new employers, NSL has continued to deliver a high level of service to our current employers.

The Fund continues to support various State departments and agencies as they rolled out their compulsory retirement programs. NSL delivered pre-retirement awareness and one-on-one counselling sessions for the retiring public servants to ensure they were prepared for retirement and able to withdraw their savings or transfer them into a Retirement Savings Account.

The Fund had also worked to further expand the accessibility of our superannuation services to all Papua New Guineans through our Choice Super platform, as part of our commitment to ensuring that Superannuation is for everyone. In 2022, the Choice Super Membership grew by 5.3% with 1,017 Members joining. The total number of Choice Super Members now stands at 20,211 with an overall savings balance of K14.59 million.



Building Better Futures

In addition to the growth in Choice Super Membership, the Fund has been encouraging Members to maximise their earning power by utilising Voluntary Contributions. 31,614 Members made additional after-tax Voluntary Contributions in 2022, with a total balance of K278.94 million.

Financial Literacy Training

At the end of 2022, the total number of Members trained for the year was 3,771, which was well over the year's target of 3,000.

NSL started the year slowly before picking up some momentum during May and June. July and August saw a drop in training numbers due to the NGE period which saw cancellations and deferrals of training sessions throughout the country.

September and October saw training sessions increase steadily and November saw the highest number of Members

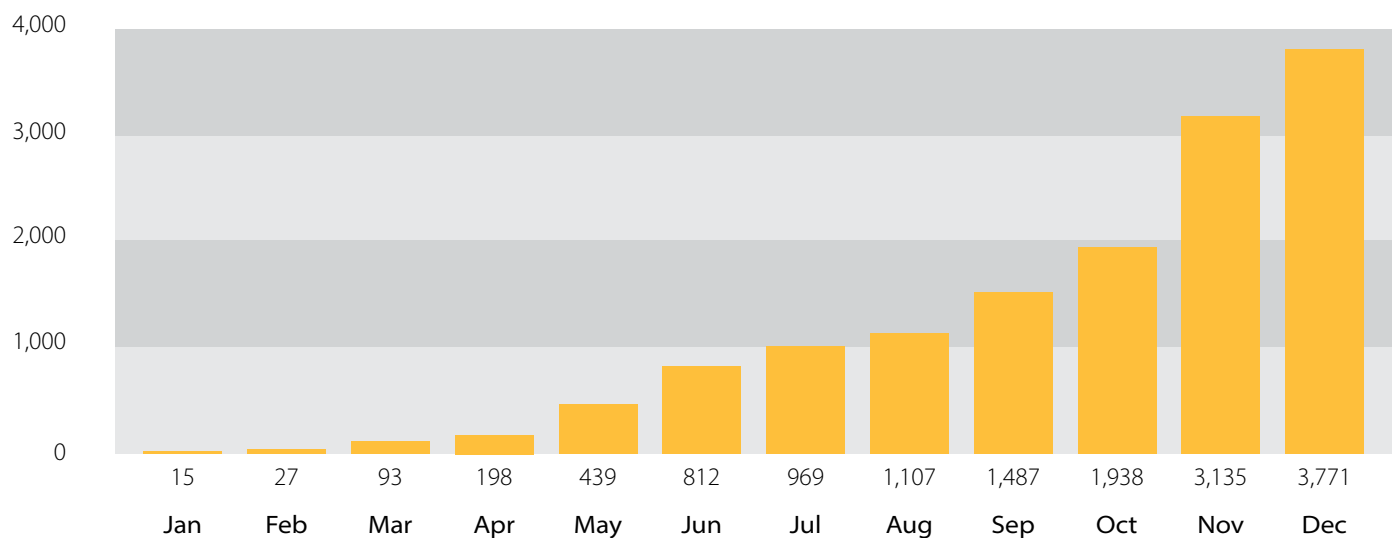
trained (1,197), which enabled NSL to meet our target. In December we achieved the stretch target.

The Islands Region had the highest number of Members trained, followed by Port Moresby. The Highlands Region also did well given that they were only able to start running sessions after the election period. Momase Region was also impressive despite only having one certified trainer in the Region.

Members from over 40 employers have received and completed FLT sessions in 2022. The majority of Members trained were from the Department of Education (799) followed by Members of the Royal PNG Constabulary (591). While more men attended FLT sessions in 2022, the ratio of women to men steadily improved in the later part of the year.

In 2023, the target number of Members to be trained is 5,000. NSL aims to continue rolling out our FLT in 2023 and further, for the benefit of our Members.

Progressive number of Members trained in 2022



What we do

Members and Employers

Building better futures

Superannuation is long-term, meaning most of our Members contribute and build their savings with us over several decades so as to enjoy the fruits of their labour when they retire. Likewise, NSL works towards generating good returns for our Members over the long-term. At present, we are committed to strengthening our relationship with Members by providing excellent products and services that will benefit them now and in the future.

In 2023, we aim to continue building on this through our value-add initiatives that go beyond our mandate of providing financial returns for our Members. These initiatives include our Branch Relocation and Expansion Project, FLT

program, CX Strategy, as well as improving access to our digital platforms, and continuous monitoring and upgrading of our back-end systems for the benefit of our Members.

As a profit-to-Members Fund, NSL holds the needs of our Members at the forefront of all we do. Our work is focused on generating the best possible returns for our Members whilst also ensuring that they are receiving high-quality services that enables them to make informed decisions on how to make the most of their superannuation savings.

Case study: Financial Literacy Training testimonials



“

I would really like to encourage my friends and colleagues who are Members, to attend the NSL Financial Literacy Training because it is really helpful with improving their personal finances which will benefit them in the long run.”

“Straight after the training, I quickly spoke to my Office Manager to set up a full office training for all my colleagues so that they have the chance to learn all the things that I just learned.

”

Martina Oki

Office of the Public Trustee of Papua New Guinea under the Department of Justice and Attorney General

“

Before this training, I had a basic understanding of budgeting but this NSL training has provided me with a deeper understanding and some new ideas on how to better manage my money.”

“I encourage more people, whether you are at the start of your career or approaching retirement, to take this training and learn about how you can improve your knowledge of savings and take advantage of Nambawan Super’s products.

”

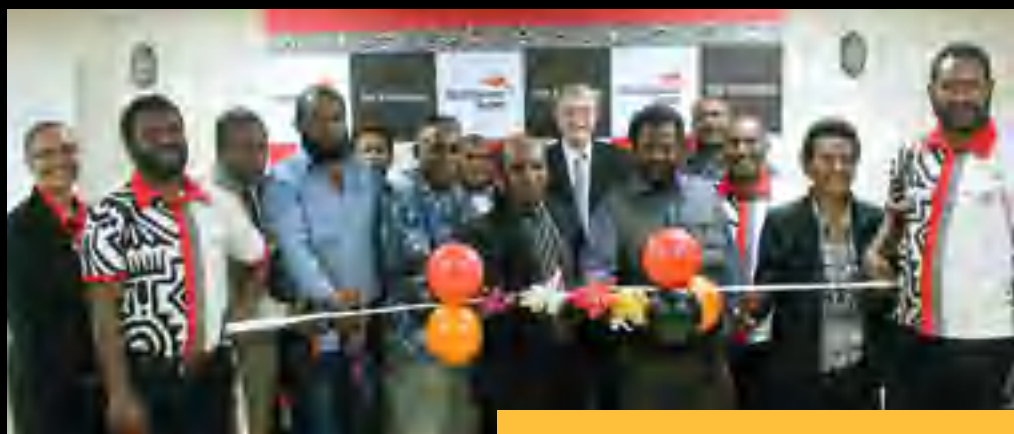
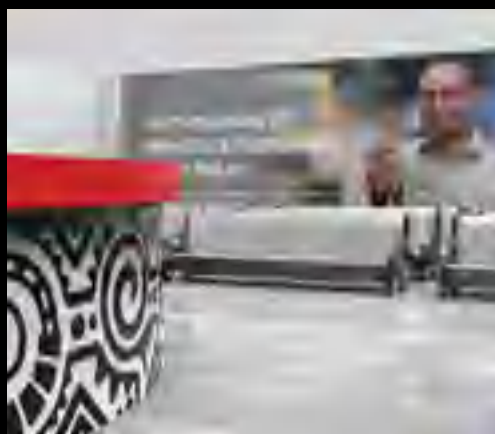
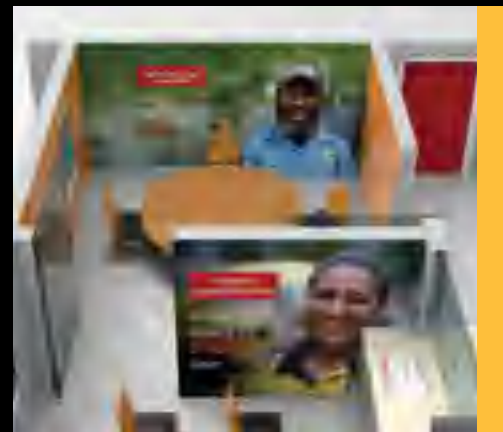
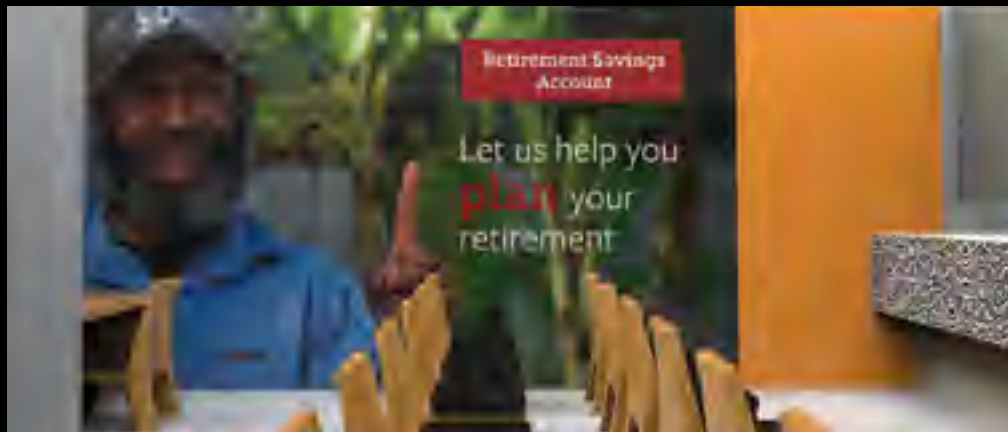
Sai Ugufa

National Fisheries Authority





Building Better Futures



What we do

Investment Approach

Members' funds are invested in a diverse pool of investments that aims to deliver optimum risk-adjusted returns over the medium and long-term. Guided by an Investment Strategy that is informed by a Strategic Asset Allocation (SAA), we invest in businesses and assets in certain segments of the local economy and across global markets.

Our strategic approach to investments has contributed to Nambawan Super Limited's (NSL or the Fund) success over the years resulting in making us the largest Fund in PNG at present with more than K9 billion in assets under management.

The Fund has a proven track record in investing Members' funds locally which have grown over the years to benefit our Members through investment returns as well as helping to grow the local economy.

Why this matters to us

We have a strategic approach to investment and are constantly considering what changes we should be making to our investment mix to ensure strong long-term returns for Members. As Member contributions are received, the Fund must decide how and where to invest those funds to ensure long-term real returns for Members.

The Investment Objective of the Fund is to achieve a return after management expenses and taxation, but before reserves allocation (if any), of the Consumer Price Index (CPI) plus 2% over the medium-term. The Fund aims to achieve this objective with a reasonable degree of certainty, by requiring the expected probability of a negative return to be not more than one year in five.

To that effect, the Fund has developed an Investment Strategy that guides our efforts and outlines our "compass", through the SAA. The SAA is regularly reviewed, including the target asset allocations, prospective returns, associated risks, and the liquidity requirements of the Fund's investment portfolio against its liability profile.

How we create value

In pursuing our objectives, NSL continues to invest in a range of assets locally, which provide broader benefits to PNG by supporting local companies, building much needed infrastructure, and creating jobs.

A great proportion of Member funds are invested in well-known brands in PNG such as BSP Financial Group Limited, Westpac Bank, Credit Corporation, Holiday Inn, Toyota Tsusho, City Pharmacy, SP Brewery, and Paradise Company which make EmNau biscuits, Queen Emma chocolate and Gala ice cream. Not only are our Members getting good

Brands we invested in



returns from our investment in these businesses, they are also proud part-owners of major PNG companies and organisations that continue to provide local jobs and are main-stays and drivers of the local economy.

Nambawan Super puts Members' interests first and advocates for their funds to be managed in an independent and professional environment. We do not invest in businesses that run against the best interests of PNG and ultimately our Members. We pride ourselves on our integrity and trustworthiness, and our governance and accountability processes that preserve and grow Members' funds for their retirement benefit.

Diversification

We invest Member savings in a diversified range of investments. This approach may be best described and understood as "not putting all your eggs in one basket". The aim is to mitigate the likely negative impact on a Member's retirement funds from an investment that might perform poorly while other assets in the portfolio might do well during the same period. Member retirement savings are invested in Government bonds, commercial and residential property, and local and international companies. Over the past decade, we have also patiently built up our offshore investments, which enables us to access a much wider range of investments not otherwise available in PNG.

Locally-based

We employ a local team of investment professionals and are able to draw upon international expertise when required. Our people are also continually improving their skills and expertise, often through internationally recognised institutions. We aspire to operate at the standards expected internationally, while always being mindful that engagement with local businesses require an understanding of the local economy.

Legislation

The legislation governing the superannuation industry in PNG is the *Superannuation (General Provision) Act 2000*

(the Act). The Bank of Papua New Guinea (BPNG), is our regulator pursuant to the Act, and supervises the activities of Nambawan Super to ensure the rights and interests of our Members remain protected. BPNG does this by issuing *Prudential Standards* that reinforce the provisions of the Act and supervises both NSL and our Licensed Investment Manager (LIM), Kina Funds Management Limited (KFM), through regular reviews and comprehensive reporting.

Nambawan Super in consultation with KFM, work within the framework of these regulatory settings to ensure targeted returns can be achieved in the medium to long-term without taking excessive investment risks, as envisioned in our Investment Strategy and SAA.

Investment Strategy

The Fund's primary purpose is to preserve and maximise the superannuation benefits of its Members through prudent investment management. The principal objective of the Fund is to provide a return after fees and taxes in excess of CPI plus 2% over the medium-term.

The Fund's investment strategy guides the investment decisions of NSL, and is subject to regular review to ensure it remains appropriate and relevant to our investment objective, risk tolerance and liability profile of the Fund, which are constantly evolving. This Investment Strategy documents the Fund's SAA, which sets out the target allocations to certain classes of investment assets. In determining the SAA, the Trustee Board considers:

- a) The risks involved in making and holding an investment under each of the different categories of possible investment baskets or asset classes;
- b) The likely returns from each asset class, including the distribution of returns on each asset class, knowing that investment returns (especially for riskier investments such as equities and property) are not the same each year, and may indeed be negative in certain periods;

What we do

Investment Approach

- c) The distribution of returns on the portfolio as a whole, taking into account the diversification of the Fund's assets, to ensure adequate risk mitigation;
- d) How liquid each investment is and the liquidity of the portfolio as a whole; and
- e) The Fund's cash flow requirements in line with its liability profile and liquidity characteristics of its assets.

Portfolio composition by asset class

Our investments are currently held in the following different asset classes:

Asset class	Target SAA	Asset class description
Domestic Cash	1%	Cash comprises of cheque and call accounts
Domestic Bonds - Short-Term	13%	Fixed interest-earning investments with a fixed rate of return and term to maturity \leq 364 days (e.g. 1 year Treasury Bill)
Domestic Bonds - Long-Term	24%	Fixed interest-earning investments with a fixed rate of return and term to maturity \geq 365 days (e.g. 10 year Government Inscribed Stock)
Domestic Listed Equity	10%	Companies listed on PNGX
Domestic Unlisted Equity	15%	Privately held companies including property holding companies
Domestic Property	17%	Directly held properties including vacant land
Domestic Total	80%	PNG Domiciled Investments
International Listed Equity	20%	Offshore Listed Equity Funds
International Total	20%	Overseas Domicile Investments
Grand Total	100%	Total Portfolio of Investments





Building Better Futures

Domestic Equity

The Fund's domestic equities allocation consists of shares in listed and unlisted (private) companies. The Fund's equity holdings include some of PNG's most well-known brands.

Listed Equity

The Fund's domestic listed equities allocation comprises of shares in companies that are listed on PNG National Stock Exchange (PNGX). As at 31 December 2022, The Fund's exposure to domestic listed equities was vested in the following companies.

Listed Equities	Stock Exchange	Code	Industry/Sector
BSP Financial Group Limited*	PNGX	BSP	Banking and Finance
Credit Corporation Limited	PNGX	CCP	Finance, Property and Investments
City Pharmacy Limited	PNGX	CPL	Health and Retail

* Nambawan Super has moved some of its shares in BSP to the Australian Securities Exchange for strategic reasons in 2021 when BSP achieved a compliance listing on that stock exchange.

What we do

Investment Approach

Unlisted Equity

The Fund's holdings in domestic unlisted (excluding property holding companies) equities are listed in the table below:

Ordinary Shares in Unlisted Equities	Sector/Industry
Gazelle International Hotel Limited	Hotel
Kumul Hotels Limited	Hotel
Paradise Company Limited	Consumer Staples/Food and Beverage
PNG Water Limited	Utilities
Post Courier Limited	Communication Services/Media
South Pacific Brewery Limited	Consumer Staples/Alcoholic Beverages
Toyota Tsusho (PNG) Limited T/A Ela Motors	Consumer Discretionary/Automobiles & Components
Westpac (PNG) Limited	Banking and Finance



NSL is a shareholder of the following property holding companies listed in the table below:

Property Holding Company	Location	Description
OPH Limited	Port Moresby, National Capital District	Holding company that owns the new Deloitte Haus and the adjacent Penthouse Apartments, Plaza and the Crown Plaza Residence in Down Town, Port Moresby.
Waigani Asset Limited	Port Moresby, National Capital District	Holding company that owns two commercial properties, Treasury Haus and Eda Tano building in Waigani, Port Moresby.
Rangeview Heights Limited	Port Moresby, National Capital District	Holding company that owns a mixed-use commercial and apartment development on 6,009 sqm of land situated between NCDC City Hall and Savannah Heights along Waigani Drive, opposite Vision City, Port Moresby.
Moki No. 10 Limited	Port Moresby, National Capital District	Holding company that owns WMI vacant land. NSL and Lamana Development Limited entered into a joint venture agreement to construct commercial buildings on the vacant land situated between TISA Haus and Telikom Rumana along Kumul Ave, Waigani office area, Port Moresby.
Coastwatchers Court Ltd (S25 L37)	Port Moresby, National Capital District	Holding company that owns 31 apartments at Touaguba Hill, Port Moresby.
Morobe Fronts Holdings Ltd (S27, L47)	Lae, Morobe Province	Holding company that owns the Lae Waterfront Land.



What we do

Investment Approach

Domestic Property

The Fund owns a portfolio of mixed commercial, residential and industrial properties as well as unimproved land in the domestic market.

In 2022, construction work started for Moki Development Park in February and Rangeview Plaza Residential was officially opened in May. Later in the year, Pacific Palms Property was appointed as the property facilities manager for Port Moresby properties. Professional Real Estate Lae was also appointed as the facilities manager for Lae properties. Both are expected to

take full responsibilities for managing those properties from September 2023.

The Fund, through Moki No.10 Limited, is completing two multi-story office buildings in the heart of the Waigani Government precinct with practical completion expected in mid-2023.

Below is a brief description of individual properties directly owned by Nambawan Super:

Commercial properties

Properties	Location	Description
Aopi Centre (S390 L12,13 & 14 Waigani Drive)	Port Moresby, National Capital District	A six-level Twin Tower Office Complex on Waigani Drive. Currently leased to the Departments of Health and High Education, NSL Members Service and others.
Morobe Haus (Vele Rumana) (S6 L19 & 20 4th Street, Top Town)	Lae	Six-level commercial office complex in the central business district (CBD), Lae, Morobe Province. Recently refurbished.
Nambawan Super Haus (IPI Building)	Lae	Seven-level mixed use commercial/residential complex in the CBD of Lae, Morobe Province.
Revenue Haus (S20 L11 Champion Parade)	Port Moresby, National Capital District	Nine-level commercial office complex in the CBD, Port Moresby. Leased to the Internal Revenue Commission.
Port Tower (Shirn Haus) (S3 L21 Hunter Street)	Port Moresby, National Capital District	Nine-level mixed-use commercial/residential complex in the CBD, Down Town, Port Moresby.
Vulupindi Haus (S405 L15 Waigani Drive)	Port Moresby, National Capital District	Six-level commercial office complex in Waigani. Leased to the Finance and National Planning Department.



Domestic Property (continued)

Industrial properties

Properties	Location	Description
Warehouse Gordons (S17 and L64)	Port Moresby, National Capital District	NSL Data Storage Warehouse.

Residential properties

Properties	Location	Description
Bayside Apartments (Portion 178)	Port Moresby, National Capital District	42 x 2 & 3 bedroom residential units located at Koki.
Portion 212 (Portion 212, Boundary Road)	Lae, Morobe Province	40 x 2 & 3 bedroom residential units in Lae, Boundary Road.
Pinnacle Apartments (S63 L22, Daugo Drive)	Port Moresby, National Capital District	Residential Apartment with eight levels containing 11 apartments and a penthouse apartment at Touaguba Hill.
Koki Staff Housing Compound (Portion 176)	Port Moresby, National Capital District	Staff Housing.

Vacant lands

Properties	Location	Description
9-mile land (Portion 2156, 2157 & 2159)	Port Moresby, National Capital District	Vacant undeveloped land.
Ex-Angco (L1 S6, L2, 3 & 5 S6 and L1 S5)	Banz, Western Highlands Province	The properties are located on L1 S5, Banz, L1 S6, Banz and L2, 3 & 5 S6. Vacant undeveloped land.
Ex-Post PNG (S387 L20)	Port Moresby, National Capital District	Vacant undeveloped land at 4-mile next to the Telikom Training Centre.



What we do

Investment Approach

International

The Fund's international investments, include cash and listed equities. Foreign currency shortages in 2022 continued to constrain efforts to repatriate cash offshore to fully implement our SAA target for international assets. We continued to implement the SAA by investing accumulated cash from receipts of distributions from existing investments and the gradual build up of cash from remittances as and when foreign currency is made available. The Fund has a zero allocation to offshore cash as an investment asset. We

endeavour to deploy cash to other assets where we have an allocation or as soon as an investible amount is reached.

International Equity

The Fund's international equities have been invested in a number of equity funds, with a mix of passive and active strategies. These managed funds are listed below.

Managed Fund	Industry/Sector
Blackrock Wholesale Indexed International Equity Fund	Global Equity Funds ex-Australia
Amundi Funds - Polen Capital Global Growth (USD)	Global Equity Funds
Schroder International Selection Fund - Global Equity (USD)	Global Equity Funds
Schroder International Selection Fund - EM Asia (USD)	Emerging Market Fund
Lyxor Core MSCI World (DR) UCITS ETF	Global Equity Funds
HSBC MSCI World ETF	Global Equity Funds
Goldman Sachs EM EQ Fund (USD)	Emerging Market Fund
Acadian Global Managed Volatility Equity Fund	Global Managed Volatility Fund

Building better futures - Investing for the long term

Superannuation is a long-term investment and rewards consistent savings accrued over the long term. Nambawan Super follows international best practice and has a disciplined investment approach which is designed to withstand some of the head-winds in a constantly evolving global and local investment environment and protect investment returns for our Members.

Members who patiently save a portion of their wages through superannuation, benefit in the long term through the effects of compounded returns generated from their savings. In a typical superannuation savings scheme, it

is commonly observed that interest earned and paid to a Member's account would exceed their annual cash contributions in the latter part of their working lives as their savings balances grow.

We constantly think about what might happen and how tough periods impact our Members. The emergence of the Covid-19 Pandemic in late 2019 and its effects on many aspects of life very quickly changed the outlook for the world economy and for PNG. These unexpected events remind us that despite our best efforts, we cannot predict the future. The Trustee Board, therefore, considers





Building Better Futures

contingency plans and takes a long-term view when investing Members' savings.

Superannuation is long-term and the Fund's Investment Strategy includes a long-term focus to increase the Fund's investments in offshore assets, which will enable better diversification than if restricted to just PNG assets. This will also enable the Fund to invest in assets that are much more readily sold and converted into another asset, or cash, or even converted back to PNG Kina if larger-than-anticipated Member retirements require more cash to be paid out.

The Trustee Board has in place a sensible Investment Strategy, focused on maximizing returns whilst balancing risk, and at the same time ensuring enough cash will be on hand to pay Members as they retire and exit the Fund.



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Building Better Futures



Supporting Statements

Licensed Fund Administrator's Statement

Kina Investments & Superannuation Services Limited

2022 year in review

Kina Bank is delighted to provide its annual Fund Administration Statement for the period ended 31 December 2022 for Nambawan Super (the Fund).

Superior customer service remains our highest priority as seen by our service level rating of 98.23% achieved for the year.

Our success is attributed to the solid foundations, effective processes, knowledgeable fund administration team, and particularly our long-standing partnership with Nambawan Super, based on our commitment to the provision of exceptional fund administration service to the Fund and its Members.

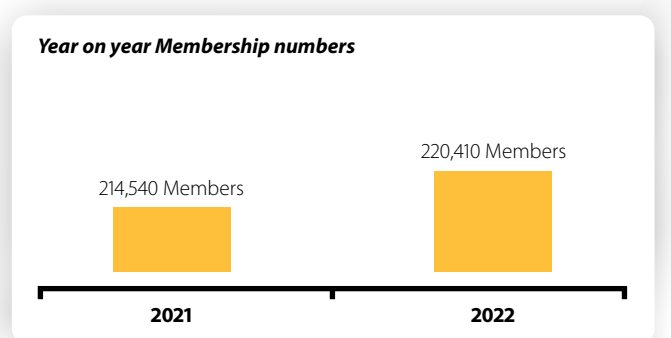
Performance summary:

- Processed a total of 62,681 work requests for the year.
- Overall Membership grew by 2.7% to 220,410.
- Total funds under administration totaled K8.79 billion, an increase of 6.5%.
- The total contributions received and allocated totaled K892.65 million.
- The total benefit payments paid out totaled over K877.70 million.
- Successfully credited more than K140 million interest as a reflection of a 1.6% crediting rate for the year ended 31 December 2022.

Membership

There was an increase of 3,794 in mainstream superannuation Membership from 189,088 to 192,882. Choice Super Membership also recorded an increase from 19,194 to 20,211 whilst Retirement Savings Accounts increased by 1,059 Members to 6,643. The Fund recorded a 2.7% increase in Membership from 214,540 in 2021 to 220,410 as at 31 December 2022.

Fund Membership	2021	2022
Mainstream	189,088	192,882
Choice Super	19,194	20,211
RSA	5,584	6,643
Pension	674	674
Total	214,540	220,410



Funds under Administration

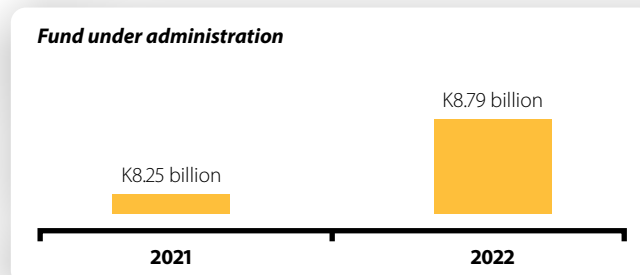
Total funds under administration were K8.79 billion at year ended 31 December 2022, which reflected a 6.5% increase in total fund balance.

It includes K8.52 billion in savings for mainstream Members, K14.59 million for Choice Super Members, and K254.44 million for the Members under the Retirement Savings

Account. The total funds under administration are not inclusive of over K2 billion in Unfunded State Share owed by the State to Nambawan Super Members.

Although this is excluding more than K140 million credited to Members' accounts when the crediting rate of 1.6% for the year ended 31 December 2022, was announced in April 2023.

Fund assets	2021	2022
Mainstream	K8,047,558,493	K8,519,168,713
Choice Super	K10,822,321	K14,593,100
RSA	K192,309,076	K254,444,128
Total	K8,250,689,891	K8,788,205,942



Contributions

A total of K892.65 million was received as contributions and allocated into Members' superannuation accounts in 2022, compared to K846.78 million in 2021. A comparable increase of 5.4% in contribution receipts.

Notably, the State paid more than K204.30 million in 2022

as State Share Contributions on behalf of its contributing Members.

Meanwhile, there were K611.83 million in mandatory employee and employer contributions and over K76.52 million in other contributions including voluntary, Choice Super, salary sacrifice, housing repayments, and transfer-ins from other Authorised Superannuation Funds in PNG.

Contribution types	2021	2022
Employee contributions	K252,662,868	K250,783,668
Employer contributions	K465,080,524	K361,043,332
State Share Contributions	K45,229,832	K204,301,901
Housing repayments	K16,448,626	K19,754,679
Transfer-in	K16,891,748	K5,260,333
Voluntary Contributions	K45,301,503	K45,817,642
Choice Super contributions	K3,140,856	K3,853,611
Salary sacrifice contributions	K2,020,242	K1,834,002
Total	K846,776,202	K892,649,173

Supporting Statements

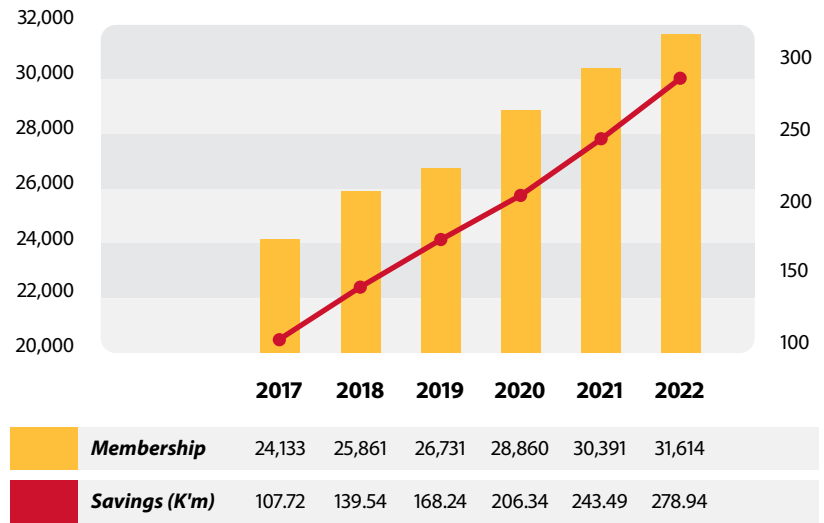
Licensed Fund Administrator's Statement

Kina Investments & Superannuation Services Limited

Voluntary Contributions

As at 31 December 2022, a total of K278.94 million was recorded as Member Voluntary Contributions savings with 31,614 Members under the Mainstream Super. Total Membership and voluntary savings increased by 4% and 14.6%, respectively, compared to 2021.

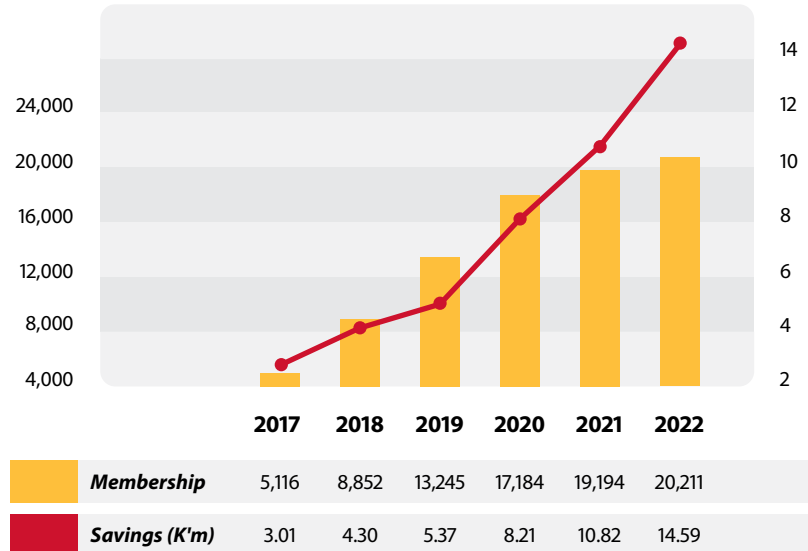
Voluntary Contributions



Choice Super contributions

Total Choice Super funds under management were K14.59 million with total Members under management of 20,211. This was an improvement compared to the 2021 outcomes. Total voluntary savings and Choice Super Membership climbed by 34.8% and 5.3% respectively, in 2022 compared to 2021 data.

Choice Super



Benefit payments

More than K877.70 million was paid out in 30,108 transaction payments at year ended 31 December 2022 compared to K688.19 million in 2021.

Over 18% increase in the number of Members exiting due to resignation, retirement and medical grounds which saw a significant increase in benefit payments of more than K602

million, followed by deceased cases totaling over K104.68 million.

An increase in the number of Members applying for Housing Advances is a good indication of Members' desire to build their own homes while currently being employed. A total of K101.29 million was paid to 5,375 Members in 2022.

Payment types	2021 (K'm)	No. of Payments	2022 (K'm)	No. of Payments
Resignation, retirement, medical	456.68	6,288	602.02	7,440
Deceased cases (including RSA)	87.72	995	104.68	1,132
Transfer out	5.46	158	3.25	82
Unemployment benefits	6.42	4,343	8.07	4,218
RSA withdrawals	43.88	10,040	58.39	11,861
Housing Advance	88.03	4,663	101.29	5,375
Total benefit paid	688.19	26,487	877.70	30,108

Pension

The number of active pensioners remained at 366 in 2022, with K1.88 million paid out, compared to K1.85 million in 2021. The rise is due to an increase in the Consumer Price Index, which is applied to pension rates.

Pension status	2021	2022
Active pensioner	366	366
Suspended	308	308
Closed	916	916
Nothing on file	5	5
Total pensioners	1595	1595
Total benefit paid (K'm)	1.85	1.88

Supporting Statements

Licensed Fund Administrator's Statement

Kina Investments & Superannuation Services Limited

Looking ahead

Here at Kina, we take complete responsibility for the management and administration of many Papua New Guineans' retirement assets. Our constant dedication to providing exceptional customer service is fueled by innovative technology, continual improvement, innovation, and perpetual expansion.

Our goal for 2023 and beyond focuses on significant projects such as system enhancements and cutting-edge technologies that will revolutionise the provision of fund administration services.

We want to transform not only the superannuation industry but also the banking industry, using our digital banking platform.

We are proud of our long-standing partnership with Nambawan Super, and we look forward to continue working together for the benefit of their Members and key stakeholders.



Boge Dikana
Head of Fund Administration
Kina Investment and Superannuation Services Ltd
'A wholly owned subsidiary of Kina Securities Limited'





Gabensis woman - Morobe Province
NSL - For Everyone campaign



Supporting Statements

Licensed Investment Manager's Statement

Kina Funds Management Limited

Introduction

This report has been prepared by Kina Funds Management Limited (KFM), a wholly owned subsidiary of Kina Securities Limited, the dual-listed holding company of the Kina Bank Group, and Licensed Investment Manager (LIM) for Nambawan Super (the Fund).

This report provides Nambawan Super Members with an overview of the Fund's investment holdings and performance for 2022, and should be read in conjunction with both the NSL Chief Investment Officer's report, and attached Financial Statements.

Regulatory Framework

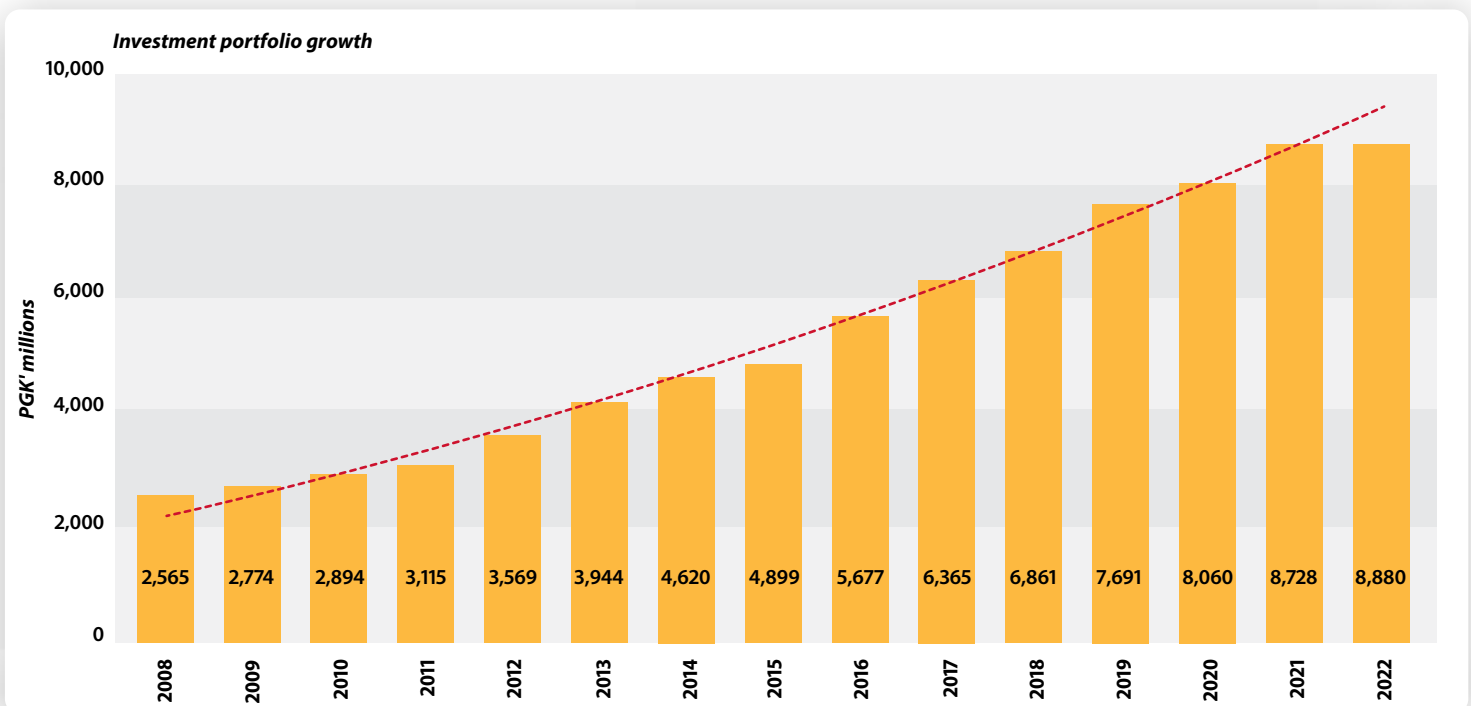
The legislative and regulatory framework that supports the investment activities of an authorized superannuation fund (ASF) in PNG requires the Trustee Board to consult with, and receive the advice of, its LIM in respect of the development and ongoing review of the ASF's Investment Framework.

The Investment Framework of an ASF is the totality of the systems, structures, policies, people and processes which support the Trustee Board in discharging its responsibilities with regard to the investments of an ASF. It includes the ASF's investment objective and investment strategy, investment policies, and the minimum standards for the submission and consideration of investment proposal

Portfolio Review

The Fund's Investment portfolio increased to K8,879.7 million at the end of 2022, a result of the net cash inflow from ongoing Member contributions, investment earnings comprising interest, dividend and rental income, movements in the capital value of investment assets, and movements in the value of international investment assets arising from foreign currency movements.

The growth in the Fund's investment portfolio is illustrated in the following table.



In the years following the superannuation industry reforms that led to the Fund's rebranding from Public Officers Superannuation Fund to Nambawan Super in June 2007, the compound annual growth rate of the Fund has been ~9%.

Portfolio Performance

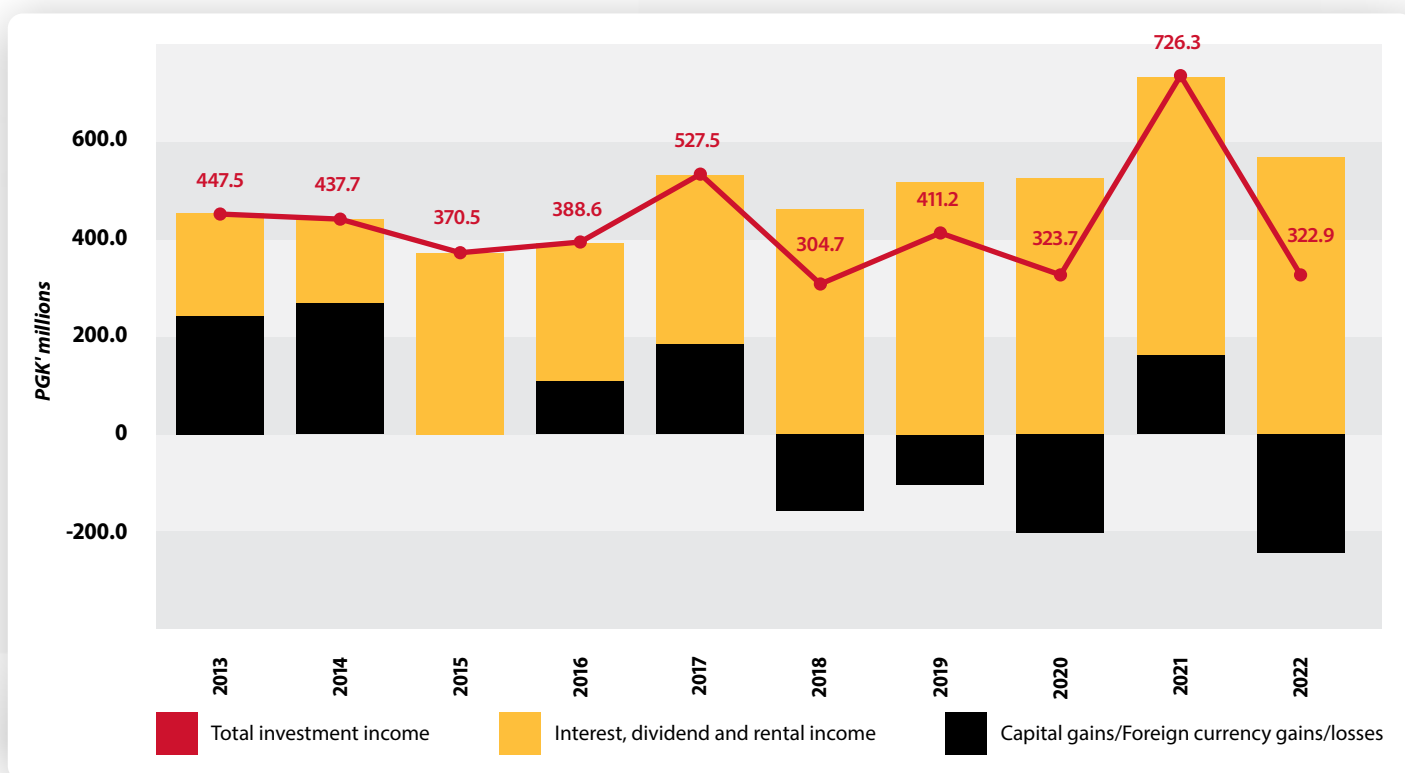
This year was a difficult year for global markets. Just as many countries were finally removing restrictions on economic activity imposed to curtail the spread of Covid-19, outbreaks of the new Omicron variant added to supply chain disruptions, which in turn added to rises in the prices of a wide range of commodities and goods. The war in Ukraine – in addition to its human cost - added additional geo-political to the economic uncertainty.

As inflation outcomes inevitably became more severe, more persistent, and more broadly based, central banks reacted

swiftly to remove accommodative monetary policy settings in place since the onset of the global financial crisis, and then to raise interest rates aggressively.

The outcomes for global share markets in 2022 reflected the uncertain economic conditions. In local currency terms, the benchmark US S&P500 Index fell 19.4% in 2022; in Europe, the Euro Stoxx50 Index fell 11.7%; the UK FTSE100 Index managed a rise of 0.9%; in Japan, the Nikkei225 Index fell 9.4%; in Australia, the ASX/S&P200 fell 5.5%.

Notwithstanding, the Fund's strong growth in interest, dividend and rental income again insulated the portfolio from unrealised capital losses, which amounted to 12.5% for the Fund's International Assets. As shown in the table below, the Fund has not reported a negative investment return in the past ten years.



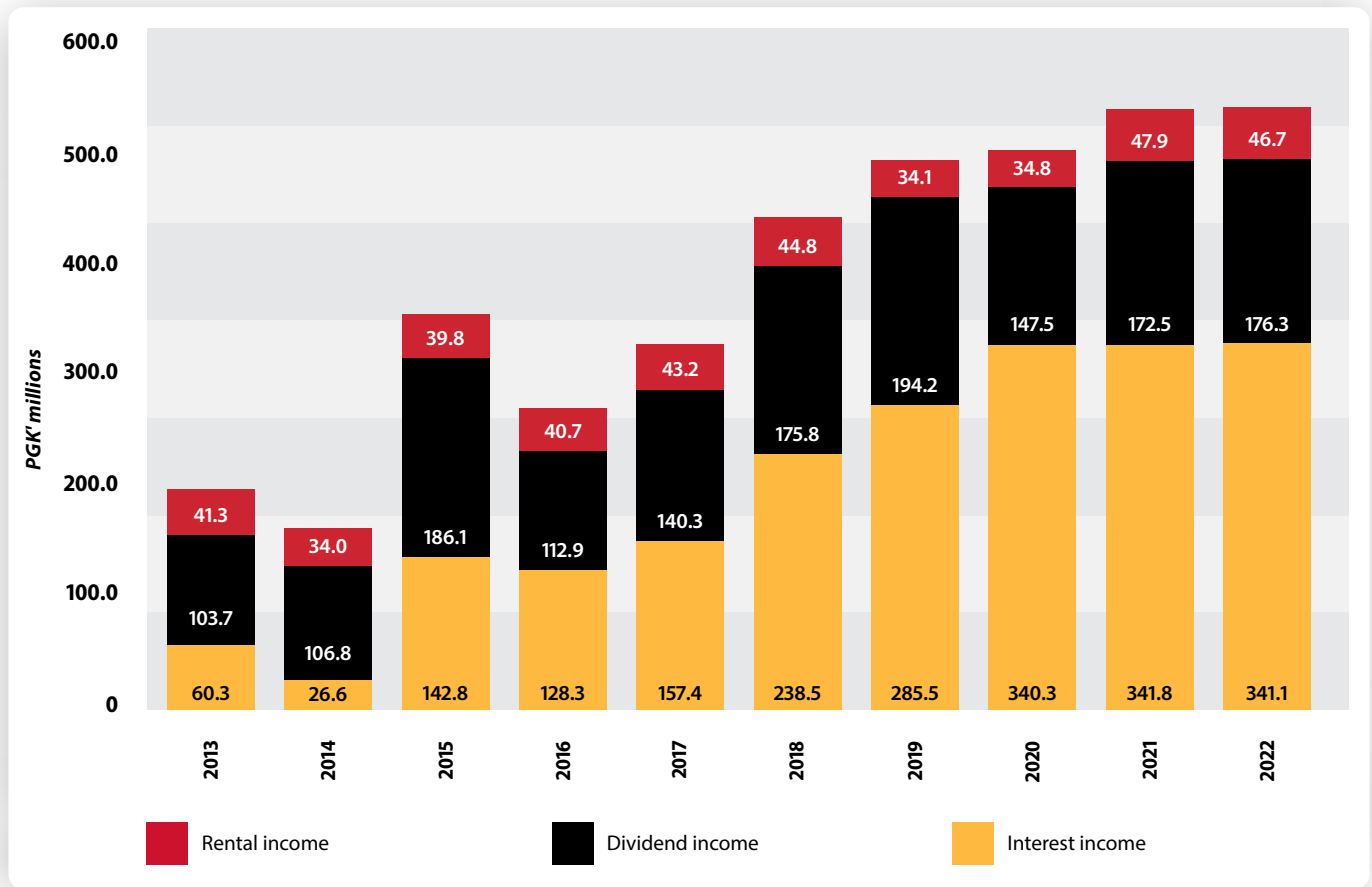
Supporting Statements

Licensed Investment Manager's Statement

Kina Funds Management Limited

In PNG, the country prepared for the mid-year national elections, and economic conditions remained susceptible to both the sustainability of the global recovery, and the long-awaited development of major resource projects. The newly formed PNG Government continued its medium-term debt financing strategy of increasing reliance on external (foreign)

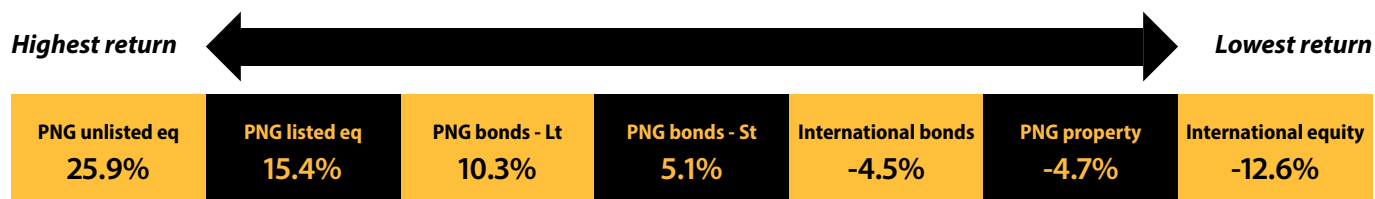
borrowings resulting in significant declines in the yields of short and long-term PNG Government debt securities. The resulting plateau in the Fund's interest income, despite increasing levels of exposure from the strong growth profile, is shown in the table below.



In the 2023 Budget the PNG Government announced that it had secured concessional budget support from the IMF in a three-year managed program. Whilst the economic reform agenda supporting the loan has been the subject of some conjecture, the PNG Government affirmed in the budget papers medium-term commitments to both a sustainable fiscal policy and financial market liberalization.

As the Papua LNG project progressed to front-end engineering and design, some optimism about the long-awaited boost to economic conditions from major resource projects was provided. The Fund's PNG investments performed strongly in 2022. Asset Class returns are shown in the table on the next page.





Portfolio Composition

The return of the Fund's PNG assets for 2022 was +8.0%. The Fund's International assets suffered a return of -12.1%. The Fund's total return for 2022, before Management expenses and taxation, was 3.3%.

The Fund endeavours to maintain its investment holdings in line with the Strategic Asset Allocation (SAA) determined by the Trustee Board. The following table illustrates the portfolio as at 31 December 2022, in comparison with the approved SAA.

Asset Class	Market Value (Kina millions)	Allocation (%)	SAA Target (%)	Allocation to Target
Cash	148.1	1.7	1	Overweight
Domestic Bonds - Short-Term	2,299.7	25.9	13	Overweight
Domestic Bonds - Long-Term	2,586.3	29.1	24	Overweight
Domestic Equities - Listed	717	8.1	10	Underweight
Domestic Equities - Unlisted	866.1	9.8	15	Underweight
Domestic Property	1,019.2	11.5	17	Underweight
Domestic Assets - Total	7,636.4	86	80	Overweight
International Cash	32.3	0.4	0	Overweight
International Bonds	-	-	0	
International Equities - Listed	1,211	13.6	20	Underweight
International Assets - Total	1,243.3	14	20	Underweight
Total Investment Assets	8,879.7	100	100	

Supporting Statements

Licensed Investment Manager's Statement

Kina Funds Management Limited

The Fund's SAA calls for a broad allocation of 80% Domestic and 20% International Investments. The key constraint faced by the Fund in achieving these SAA targets continues to be the scarcity of foreign currency resulting from PNG's foreign exchange controls.

International Assets provide the Fund with the best opportunity for diversification: geographically; to developed and emerging market economies; and through exposure to companies engaged in industry classes not available domestically.

The relative illiquidity of PNG's listed equity markets, the State's ownership of enterprises in key infrastructure and industry groups, and the lack of quality companies in private markets, are impediments to the Fund achieving its SAA targets within its domestic holdings.

A blue ink handwritten signature, appearing to read "Deepak Gupta", written in a cursive style.

Deepak Gupta
Executive General Manager
Wealth Management and Corporate Advisory
Kina Funds Management Limited





Dorcas Peruka - Central Province
NSL- 46th Independence Anniversary celebration



Supporting Statements

Statistical Summary

		2022	2021	2020	2019	2018	2017
Profitability							
Total Investment Income	K(m)	351	737	287	703	419	577
Total Expenses	K(m)	129	130	140	123	111	148
Income Tax Expense	K(m)	78	81	58	76	34	23
Net Profit after Tax	K(m)	144	526	89	504	274	406
Balance sheet							
Net Assets	K(m)	8,991	8,823	8,140	7,683	6,890	6,415
Net Asset Growth	%	1.9	8.4	6	11.5	7.4	11
Reserves	K(m)	45	42	44	34	27	28
Reserves as a % of Net Assets	%	0.5	0.5	0.5	0.4	0.4	0.4
Return to Members							
Interest Credited to Members	%	1.6	6.5	1	7	3.7	8
Headline Inflation Rate	%	6.3	5.7	5.8	3.3	4.3	5.1
Real Return to Members	%	-4.7	0.8	-4.8	3.7	-0.6	2.9
Membership							
Number of Members		220,410	214,540	207,986	199,351	188,702	175,840
Average Wealth Per Member	K	40,792	38,689	38,814	39,612	44,357	36,482
Number of RSA Members		6,643	5,584	4,989	4,720	4,372	4,113
Number of Choice Super Members		20,211	19,194	17,184	13,245	8,852	5,116
Number of Members making Voluntary Contributions		31,614	30,391	28,860	26,731	25,861	24,133
Number of Pensioners		674	674	674	618	558	572
Member contribution & payouts							
Contributions Received	K(m)	1,025	827	801	758	668	514
Gross Exit Payouts	K(m)	1,002	645	441	477	398	254
Total Benefit Payments Made		30,108	26,487	23,785	25,460	23,370	23,051
Total Pension Payments	K(m)	1.9	1.8	1.9	1.6	2	2
Trustee expenses							
Management Expenses	K(m)	77	81	76	68	51	41
Investment and Administration Expenses	K(m)	52	49	63	54	60	107
Number of Staff		205	192	179	162	154	145



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Futures**



Nick Yakamb
Member Service Officer - Nambawan Super



Financial Statements

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Nambawan Super Limited's full Audited Financial Statements, including valuations not disclosed in this report due to market sensitivity, are available for sighting in person by Members at the Nambawan Super Head Office, Level 2, Deloitte Haus Building, McGregor St, Port Moresby.



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Financial Statements

Nambawan Super Declarations

By Trustee and Management for the year ended
31 December 2022

Declaration by Trustee on behalf of the Board

In our opinion the accompanying Statement of Comprehensive Income, Statement of Changes in Net Assets Available for Benefits, Statement of Net Assets Available for Benefits, and Statement of Cash Flows, together with the Notes to and Forming Part of the Financial Statements, are drawn up so as to present a true and fair view of the state of affairs of the Fund as at 31 December 2022, and its performance for the year then ended.

The Trustee has satisfied itself that the Nambawan Super Board has:

- (a) identified the key financial and operating risks;
- (b) established systems to control and monitor those risks including adherence to prudent policies and procedures, reasonable operating limits and adequate and timely reporting processes;

- (c) satisfied itself that the risk management systems are operating effectively and are adequate in regard to the risk they are designed to control; and
- (d) there are no apparent conflicts of interest with respect to Nambawan Super's engagement of an external auditor which may compromise the independence of the auditor's performance.

The Financial Statements have been drawn up in accordance with the requirements of the *Superannuation (General Provision) Act 2000* and the requirements of the *Trust Deed of Nambawan Super* dated 24 December 2002.

For and on behalf of the Board of Directors of the Trustee.



Reginald Monagi
Chairman



Dame Meg Taylor, DBE
Deputy Chairperson

Dated at Port Moresby the 27th day of April 2023

Declaration by Management

In our opinion the accompanying Statement of Comprehensive Income, Statement of Changes in Net Assets Available for Benefits, Statement of Net Assets Available for Benefits, and Statement of Cash Flows, together with the Notes to and Forming Part of the Financial Statements, are drawn up so as to present a true and fair view of the state of the affairs of the Fund as at 31 December 2022, and its performance for the year then ended.

The Management have satisfied themselves that they have:

- (a) identified the key financial and operating risks;
- (b) established systems to control and monitor those risks including adherence to prudent policies and procedures, reasonable operating limits and adequate and timely reporting processes;

- (c) satisfied itself that the risk management systems are operating effectively and are adequate in regard to the risk they are designed to control; and
- (d) there are no apparent conflicts of interest with respect to Nambawan Super's engagement of an external auditor which may compromise the independence of the auditor's performance.

The Financial Statements have been drawn up in accordance with the requirements of the *Superannuation (General Provision) Act 2000* and the requirements of the *Trust Deed of Nambawan Super* dated 24 December 2002.

For and on behalf of the Nambawan Super Management.



Paul Sayer
Chief Executive Officer



Pochon Lili
Chief Financial Officer

Dated at Port Moresby the 27th day of April 2023

Independent Auditor's Report

To the Members of Nambawan Super

Report on the audit of the financial statements

Our opinion

We have audited the Financial Statements of Nambawan Super (the Fund), which comprise the Statement of Net Assets Available for Benefits as at 31 December 2022, and the Statement of Comprehensive Income, Statement of Changes in Net Assets Available for Benefits and Statement of Cash Flows for the year then ended, and the Notes to the Financial Statements which include a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements:

- comply with International Financial Reporting Standards, the *Superannuation (General Provision) Act 2000*, the Financial Statement requirements embodied in the *Companies Act 1997* and other generally accepted accounting practices in Papua New Guinea; and
- give a true and fair view of the financial position of the Fund as at 31 December 2022, and its financial performance and cash flows for the year then ended.

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 Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, 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 Fund.

Emphasis of matter

We draw attention to Note 2 (t) (iv) of the Financial Statements, which describes the material uncertainty that exists in relation to the possible impact of Covid-19, slowdown in global economy, and developments in the operating environment in Papua New Guinea on the valuations of investment properties and unlisted equities at 31 December 2022, which all have the potential to have an adverse impact on investment property and unlisted equity values and the precise extent of that impact is still not evident. In Note 2 (t) (v) of the Financial Statements also indicates a material uncertainty exists that may cast significant doubt on the ability of the Fund to realise the stated value of the investment property known as Bush Wara Valley 9-mile. We further draw attention to Note 5 (i) of Financial Statements which discloses that some valuations as at 31 December 2022 were conducted by Kina Funds Management who are the Licensed Investment Manager of the Trustee. Kina Funds Management fees have not increased due to these valuations, nor did they take a fee for the valuations performed. Our opinion is not modified in respect of these matters.

Information other than the Financial Statements and Auditor's Report

The Directors of Nambawan Super Limited, being the Fund's Trustee, 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.

Responsibilities of the Trustee for the Financial Statements

The Directors of the Trustee, are responsible, on behalf of the Fund, for the preparation of Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards, the *Superannuation (General Provision) Act 2000*, the Financial Statements requirements embodied in the *Companies Act 1997* and other generally accepted accounting practices in Papua New Guinea, and for such internal control as the Directors of the Trustee 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 of the Trustee are responsible for assessing the Fund'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 of the Trustee either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Trustee.

Independent Auditor's Report

To the Members of Nambawan Super

Report on the audit of the financial statements

- Conclude on the appropriateness of the Trustee's 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 Fund'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 Fund 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.

Report on other legal and regulatory requirements

We confirm in relation to our audit of the Financial Statements for the year ended 31 December 2022:

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

Who we report to

This report is made solely to the Fund's Members, as a body. Our audit work has been undertaken so that we might state to the Fund's Members 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 Fund and the Fund's Members, as a body, for our audit work, for this report or for the opinions we have formed.



PricewaterhouseCoopers



Peter Buchholz
Partner Registered under
the Accountants Act 1996

Port Moresby 27th April 2023





Moses Gamane - Eastern Highlands Province
NSL - For Everyone campaign



Nambawan Super

Statement of Comprehensive Income for the year ended 31 December 2022

	Note	2022 K'000	2021 K'000
Income			
Interest	11(a)	358,291	360,498
Dividends	11(b)	186,235	208,317
Property rentals	11(c)	57,416	56,094
Net gains/(losses) on assets at fair value	11(e)	(247,791)	61,529
Foreign exchange gain/(loss), net	11(d)	(18,862)	(4,195)
Release of impairment provision		13,142	53,939
Other income	11(f)	2,459	299
Total net income		350,890	736,481
Expenses			
Investment and administration expenses			
Direct investment property expenses		16,861	15,379
Fund administration fees		10,972	10,871
Investment manager's fees		10,427	10,235
Property administration expenses		6,404	6,196
Investment monitoring expenses		2,351	943
Loans and receivables impairment expenses	12(a)	4,672	5,549
Total investment and administration expenses		51,687	49,173
Management expenses	12(b)	76,846	80,842
Operating profit		222,357	606,466
Income tax expense	13(a)	78,236	80,587
Profit/(loss) after income tax		144,121	525,879
Other comprehensive income		-	-
Net increase (decrease) in net assets from operations available for benefits		144,121	525,879

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes to the financial statements

Statement of Changes in Net Assets Available for Benefits for the year ended 31 December 2022

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	Note	2022 K'000	2021 K'000
Net increase in Net Assets from operations available for benefits		144,121	525,879
Contributions/transfers			
Member contributions	14(a)	870,989	826,769
Housing withdrawals repayments	14(b)	41,354	32,352
Transfer to retirement savings plan (RSA)	14(d)	109,265	72,819
Choice Super contributions	14(e)	3,835	3,152
Total contributions/transfers		1,025,443	935,092
Benefits expenditure			
Benefits payments and transfer to RSA	14(a)	842,123	644,625
Housing Advances or Member withdrawals	14(b)	99,329	87,973
Pension payments	14(c)	1,884	1,842
Retirement savings benefit payments	14(d)	58,311	43,829
Choice Super Member payments	14(e)	31	225
Total benefits expenditure		1,001,678	778,494
Net increase in Net Assets Available for Benefits		167,886	682,477
Net assets available for benefits - beginning of the year		8,823,476	8,140,999
Net assets available for benefits		8,991,362	8,823,476
Comprising:			
Members accounts and pensioner funds	14(a-c)	8,658,901	8,558,782
Retirement Savings Accounts	14(d)	263,779	208,396
Choice Super accounts	14(e)	23,510	14,837
Reserves	14(f)	45,172	41,461
Total Members' funds		8,991,362	8,823,476

The above Statement of Changes in Net Assets Available for Benefits should be read in conjunction with the accompanying notes to the financial statements

Nambawan Super

Statement of Net Assets Available for Benefits as at 31 December 2022

	Note	2022 K'000	2021 K'000
Assets			
Investments			
Financial assets at fair value through profit or loss	5(a-d)	3,315,984	3,513,251
Financial assets at amortised cost	5(e)	4,361,536	3,974,591
Loans receivable	5(f)	130,357	108,665
Investment properties	5(g)	507,611	554,311
Assets held for sale	5(h)	969	969
Total investments		8,316,457	8,151,787
Cash on hand and at banks	8	179,583	488,609
Short-term deposits	6	352,452	40,285
Receivables	7	89,131	166,633
Property, plant and equipment	3	38,126	37,067
Right-of-use assets	4	35,636	38,283
Income tax receivable	13(b)	106,679	72,038
Total assets		9,118,064	8,994,702
Liabilities			
Deferred income tax payable, net	13(c)	43,179	51,120
Benefits payable		2,103	2,562
Employee benefits payable		7,625	7,252
Creditors and other liabilities	9	34,182	69,136
Lease Liabilities	10	39,613	41,156
Total liabilities		126,702	171,226
Net assets available for benefits		8,991,362	8,823,476
<i>The above Statement of Net Assets Available for Benefits should be read in conjunction with the accompanying notes to the financial statements</i>			

For and on behalf of the Board



Reginald Monagi
Chairman



Dame Meg Taylor, DBE
Deputy Chairperson



Statement of Cash Flows for the year ended 31 December 2022

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	Note	2022 K'000	2021 K'000
Cash flows from operating activities			
Contributions received		839,739	824,388
Benefits paid		(793,084)	(617,488)
Housing Advances or Member withdrawals	14(b)	(99,329)	(87,973)
Repayments from Housing Advances received	14(b)	41,354	32,352
Investments in short-term deposits		(306,000)	(40,000)
Investments in financial assets		(3,750,401)	(2,651,844)
Proceeds from sale of financial assets		3,308,187	2,339,913
Payment for investment property development & acquisition		(5,950)	(7,786)
Proceeds from sale of investment properties		25,242	-
Interest received		373,431	373,026
Dividends received		188,226	203,036
Property rentals and other income received		76,557	53,752
Investment and administration expenses paid		(115,607)	(124,349)
Income tax paid	13(b)	(120,817)	(55,920)
Net cash flow from operating activities		(338,452)	241,107
Cash flows from investing activities			
Loan drawdown	5(f)	-	(1,140)
Proceeds from loan repayments	5(f)	51,768	-
Purchase of property, plant and equipment	3	(8,751)	(5,434)
Proceeds on sale of property, plant and equipment		5,271	-
Net cash flows from investing activities		48,288	(6,574)
Net increase/(decrease) in cash and cash equivalents		(290,164)	234,533
Cash and cash equivalents – beginning of the year		488,609	258,271
Unrealized foreign exchange component in cash balance		(18,862)	(4,195)
Cash and cash equivalents – end of the year		179,583	488,609
Comprising:			
Cash on hand and at banks	8	179,583	488,609
		179,583	488,609

The above Statement of Cash Flows should be read in conjunction with the accompanying notes to the financial statements

Nambawan Super

Notes to and Forming Part of the Financial Statements for the year ended 31 December 2022

1. General information

Nambawan Super is an approved Fund under the *Superannuation (General Provision) Act 2000* (the Act). The Fund is primarily a defined contribution (or accumulation) fund which provides benefits to its Members in accordance with the Act. The majority of contributors are from the public sector with the "State" as the major employer; however, since the introduction of the Superannuation reforms, Membership now includes private sector organisations. In 2005, the Fund introduced a new post-employment product for exiting Members in the form of Retirement Savings Accounts (RSA). This facility allows Members who exit the Fund to transfer all or part of their benefits to an RSA. The advantages of an RSA are the continued security of funds in retirement, and the ability to make regular withdrawals from the account in line with retirement needs. Balances are not subject to tax where statutory levels of withdrawals are not exceeded.

The Fund is governed by a Board of Directors, pursuant to their responsibilities to Nambawan Super Limited (NSL), the Fund's Corporate Trustee.

NSL is domiciled in PNG and the registered office is:

**Level 2, Deloitte Haus
McGregor Street
PO Box 483
Port Moresby**

The Financial Statements have been authorized for issue by the Directors on the 27th day of April 2023. The Board of Directors has the power to amend the Financial Statements after they are issued.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below.

These Financial Statements are presented in accordance with the requirements of the *Superannuation Prudential Standard 3/2008* and comply with International Financial Reporting Standards (IFRS) and other generally accepted accounting practices in Papua New Guinea (PNG). All amounts are expressed in PNG Kina rounded to the nearest thousand Kina.

The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss, and investment property at fair value.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise its judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions, estimates and judgment are significant to the Financial Statements are set out in note 2(t).

(a) Adoption of new or revised standards and interpretations

(i) Standards, amendments and interpretations effective in the year ended 31 December 2022.

The following standards, amendments and interpretations to existing standards became applicable for the first time during the accounting period ended 31 December 2022.

- A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16 (effective 1.1.22).
 - Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
 - Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
 - Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.
 - Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

- Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions (effective 1.4.21). On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022.
- IFRIC Agenda Decision - Lessor forgiveness of lease payments (IFRS 9 and IFRS 16). In October 2022 the IASB finalised the IFRIC agenda decision on lessor forgiveness of lease payments. The agenda decision addresses the accounting from the perspective of the lessor, and in particular:
 - how the expected credit loss (ECL) model in IFRS 9 should be applied to the operating lease receivable when the lessor expects to forgive payments due from the lessee under the lease contract before the rent concession is granted.
 - whether to apply the derecognition requirements in IFRS 9 or the lease modification requirements in IFRS 16 when accounting for the rent concession.

The above changes did not have any material impact on the Fund.

(b) Adoption of new or revised standards and interpretations

(ii) Standards, amendments and interpretations issued but not yet effective for the year ended 31 December 2022 or adopted early.

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the entity's accounting periods beginning on or after 1 January 2023 or later periods, but the entity has not early adopted them:

- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 (effective 1.1.23). The amendments aim to improve accounting policy disclosures and to help users of the Financial Statements to distinguish between changes in accounting estimates and changes in accounting policies.
- Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction (effective 1.1.23). These amendments require companies to

recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

- Amendment to IFRS 16 - Leases on sale and leaseback (effective 1.1.24). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- Amendment to IAS 1 - Non current liabilities with covenants (effective 1.1.24). These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. They also add new disclosure requirements in relation to covenants.
- IFRS 17 'Insurance contracts' (effective 1.1.23) replaces IFRS 4. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

The Fund 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.

(c) Revenue recognition

Property rental income

Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Fund provides incentives to its tenants, the cost of the incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

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Investment income

Interest income, comprising interest on government securities, term deposits, debentures, loans and receivables is brought to account on an accrual basis using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument (for example, pre-payment options) but does not consider future credit losses.

Dividend income from equity instruments is recognised in the Statement of Comprehensive Income as part of 'dividend income' when the dividend is declared.

Changes in the fair value of financial assets at fair value through profit or loss and investment property are recognized in the Statement of Comprehensive Income in the periods in which they occur.

Contribution income

Employer and Member contributions are recognised upon receipt. Transfers from other funds are recognised when received by the Fund. Contributions receivable from the State in relation to exit payments are recognised when payments are made by the State to the Fund for those exiting Members.

(d) Foreign currency translation

The Financial Statements are presented in PNG Kina, which is the Fund's functional and presentation currency. Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Comprehensive Income. Such balances are translated at year-end exchange rates at balance

date. Translation differences for non-monetary items, such as financial assets held at fair value through the profit or loss, are reported as part of net gains/(loss) on assets at fair value. The rates used as at 31 December were:

	2022	2021
AUD	0.4191	0.3931
USD	0.2915	0.2925

(e) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the items will flow to the Fund and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Furniture & fittings	At rates varying from 11.25 % to 30.00 %.
Office equipment	At rates varying from 11.25 % to 30.00 %.
Motor vehicles	30.00 %.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income.

(f) Financial assets

The Fund classifies its investments in the following categories:



- (i) **financial assets at fair value through profit or loss;**
- (ii) **financial assets at amortised cost; and**
- (iii) **loans and receivables at amortised cost.**

The classification depends on whether the asset is an equity instrument or debt instrument, and for debt instruments, the nature of the cash flows derived from holding the instrument and the Fund's business model for holding the investment. Management determines the classification of its investments at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise equity instruments, which may be either held for trading or held for long term capital appreciation and investment returns, and debt instruments. Equity instruments includes both listed and unlisted equities. Debt instruments include listed offshore bonds.

(ii) Financial assets at amortised cost

The Fund classifies its debt instruments as financial assets at amortised cost where the contractual terms give rise to cash flows that are solely payment of principal and interest and the asset is held within a business model whose objective is to hold the instrument to collect the contractual cash flows to maturity. There is no active secondary market for PNG government inscribed stocks and treasury bills, and the Fund's business model is to hold these instruments to maturity. Accordingly, the Fund has classified all its government inscribed stock and treasury bills as financial assets at amortised cost.

(iii) Loans and receivables at amortised cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are accounted for on an amortised cost basis.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Fund commits to purchase or sell the asset. Financial assets carried at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in the Statement of Comprehensive Income.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership.

Subsequent measurement

Financial assets at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value of 'financial assets at fair value through profit or loss' category are presented in the Statement of Comprehensive Income within 'net gains on assets at fair value' in the period they arise.

Foreign exchange gains and losses relating to 'financial assets at fair value through profit or loss' are included within 'net gains on assets at fair value' in the Statement of Comprehensive Income.

The Fund's equity interests in controlled entities and entities in which it holds significant influence are treated as financial assets and classified as 'financial assets at fair value through profit or loss'.

Investments in government inscribed stocks and treasury bills, together with loans and receivables are subsequently carried at amortised cost using the effective interest method, less any provision for impairment.

(g) Investment properties

Investment properties are recognised initially at cost, including the transaction costs, if any. Investment properties are subsequently valued at each reporting date at "fair value" (refer to note 2g), once construction is complete or they are available for use. Changes in fair value are recorded in the Statement of Comprehensive Income within 'net gains/(losses) on assets at fair value'.

Subsequent costs are included in the assets' carrying amount only when it is probable that future economic benefits associated with the items will flow to the Fund and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Comprehensive Income during the period in which they are incurred.

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Rental income from investment properties is recognised in the Statement of Comprehensive Income within 'rental income' on a straight line basis over the lease term when the Fund's right to receive income arises.

(h) Fair value estimation

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date. The fair value of financial assets traded in active markets is based on quoted market prices at the close of business on the reporting date.

The fair value of financial assets not traded in an active market is determined using valuation techniques. A variety of techniques are used by the Fund using assumptions based on market conditions existing at the reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and other valuation techniques commonly used by market participants.

The fair value of investment properties is determined by using valuation techniques including the use of comparable recent market transactions, the capitalization of earnings method and discounted cash flow analysis.

(i) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days and are held by the Fund to collect the contractual cash flows.

(j) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks. Other short-term highly liquid investments with original maturities of three months or less are classified under other assets.

(k) Income tax

The income tax expense or revenue for the period is tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise these temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases for investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

(l) Benefits payable

Benefits payable are benefits from the Fund attributable to Members but not paid by balance date.

(m) Employee benefits

Liabilities of the Fund for their employees' entitlements to wages and salaries, annual leave, and other employee entitlements are accrued at amounts calculated having regard to period of service, statutory obligations, and on the basis of wage and salary rates when the liabilities are expected to be settled.



(n) Creditors and other liabilities

Creditors and other liabilities represent liabilities for goods and services provided to the Fund prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Assets held for sale

Assets held for sale are stated at the lower of carrying amount or fair value less cost to sell when their carrying amount is to be recovered principally through a sale transaction and the sale is considered highly probable within twelve months. The fair market value is determined similar to investment properties.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Internal Revenue Commission (IRC). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the IRC is included with other receivables or payables in the Statement of Net Assets Available for Benefits. Cash flows are presented on a gross basis. The GST component of cash flows arising from non-operating activities recoverable from, or payable to the IRC is presented as operating cash flows.

(q) Impairment

The Fund uses the expected credit loss model to assess on a forward-looking basis the expected credit losses associated with its debt instruments, including loans and receivables, carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The loss allowances are based on assumptions about risk of default and expected loss rates. The Fund uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Fund's past history, existing market conditions as well as

forward-looking estimates at the end of each reporting period.

For investments in financial assets carried at amortised cost the Fund applies the three-stage model based on whether there has been a significant increase in credit risk since inception.

Investments in government inscribed stocks and treasury bills are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Debt instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

For rental receivables, the Fund applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

Impairment losses on financial assets at amortised cost and receivables are presented as net impairment losses within the Statement of Comprehensive Income. Subsequent recoveries of amounts previously written off are credited against the same line item.

(r) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Fund. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

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Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

Extension and termination options are included in a number of property and equipment leases across the Fund. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Fund and not by the respective lessor.

In determining the lease term, Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

(s) Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

(t) Critical accounting estimates, judgments and disclosures

(i) Fair Value of Assets

Fair value of equity instruments that are not quoted in an active market

Fair value of equity instruments that are not quoted in an active market are determined by independent experts using valuation techniques, primarily discounted cash flows, earning multiples and net assets values. Management, Audit and Risk Committee and the Investment Committee review the valuations used to determine fair value for appropriateness.

Valuation models use observable data, to the extent practicable. However, there are factors requiring estimation and changes in assumptions about these factors could affect the reported fair value of the financial instruments.

Fair value of investment properties

Fair value estimation of investment properties utilises the services of independent valuers. Fair value is the estimated market value at which the exchange of asset would take place at valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each party has acted knowledgeably, prudently and without compulsion. Valuation techniques used by independent valuers typically include the discounted cash flow basis,

the capitalization approach and comparison with observable market transactions for similar properties. The Discounted Cash Flow basis evaluates an Internal Rate of Return (IRR) based on known or expected rentals adjusted for relevant factors or by comparison with similar properties capitalised using recognised market multipliers. The Capitalisation approach adopts a market yield based on estimated income adjusted for costs, outgoings and future capital upgrade costs.

The valuation models adopted by the valuers do require estimation and assumptions on the part of the valuer and changes in estimates and assumptions could affect the reported fair values of the investment properties. Management reviews these estimates and assumptions and the valuations to determine fair value and accepts or adjusts the valuations. Management then makes a recommendation to the Audit and Risk Committee and the Investment Committee who then review and agree on the valuations. These committees then recommend the valuations to the Board of the Trustee.

(ii) Receivable from the State

The State owes debts to the Fund in relation to:

- (1) Unpaid rentals and outgoings, and
- (2) Interest.

Management continuously assesses the recoverability of these receivables considering the nature of the debt, past history, likelihood of settlement and any relevant information available to Management. Based on this assessment, a provision for impairment is recognised in the Financial Statements for potentially uncollectable rental outgoings and interest.

In addition, the State has an unrecognized liability to Members (but not the Fund) arising from unfunded Members' contributions in relation to previous years which will become due as the Members retire (See Note 15). Accordingly, this is not an asset of the Fund.

(iii) Impairment

Impairment of financial assets at amortised cost

The loss allowances are based on assumptions about risk of default and expected loss rates. The Fund uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Fund's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Scenario	Strong Economy	Base Case	Weak Economy	Weighted Average	Expected Loss Rate
31 December 2022					
Outcome Probability	30%	60%	10%		
Treasury Bills	21,827	21,837	21,848	21,835	3.72%
Government Stocks	15,789	15,796	15,805	15,795	3.72%
Expected credit loss (K'000)	37,616	37,633	37,653	37,630	
31 December 2021					
Treasury Bills	20,840	20,852	20,860	20,849	4.10%
Government Stocks	12,030	12,035	12,040	12,034	4.10%
Expected credit loss (K'000)	32,870	32,887	32,900	32,883	

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(t) Critical accounting estimates, judgments and disclosures *(continued)*

Impairment of rental receivables

For rental receivables, which includes a significant portion of debt due from State related tenants, the Fund applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected loss rates are based on the payment profiles of rental income over a period of 36 months before 31 December 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current

and forward-looking information on macroeconomic factors affecting the ability of the tenants to settle the receivable. Such forward-looking information would include:

- changes in economic, regulatory, technological and environmental factors (such as industry outlook, GDP, employment and politics);
- external market indicators; and
- tenant base.

On that basis, the loss allowance as at 31 December 2022 and 31 December 2021 was determined as follows for receivables from rental debtors:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 180 days past due	Total
31 December 2022						
Expected loss rate	0%	0%	0%	0%	4%	
Gross carrying amount (K'000)	5,075	5,096	5,107	5,106	43,126	63,510
Loss allowance (K'000)	-	-	-	-	1,875	1,875
31 December 2021						
Expected loss rate	0%	0%	0%	0%	3%	
Gross carrying amount (K'000)	4,863	4,315	3,608	3,638	66,944	83,368
Loss allowance (K'000)	-	-	-	-	1,875	1,875

(iv) Valuation Uncertainty

Nambawan Super has engaged external valuation experts to assist in undertaking valuations of investment properties and unlisted equities on behalf of Fund Members. In their valuation reports the external valuers have highlighted the values stated are an assessment of the present value of the future earnings capacity or future benefits of the investment properties and unlisted equities based on historical transactions. The external valuation experts have highlighted uncertainties in relation to the possible

impact of Covid-19, slowdown in global economy and developments in the operating environment in Papua New Guinea on the valuations of investment properties and unlisted equities at 31 December 2022, which all have the potential to have an adverse impact on investment property and unlisted equity values and the precise extent of that impact is still not evident. We note that most Covid-19 restrictions were lifted in Papua New Guinea as at 31 December 2022.

At the date of this report the Board considers there remains a significant market uncertainty in regard to the valuations. The valuations reported are current at the year-end only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time - including as a result of factors that external valuers could not reasonably have been aware of as at the date of valuation.

To illustrate the Fund's exposure of the carrying value of investment properties at 31 December 2022 to further fair value movements as a result of changes in the economic environment, a sensitivity analysis of fair value has been prepared over a key driver most affected by the current uncertainty. Investment property valuations remain subject to market based assumptions on market capitalisation rates and discounted cash flows. While it is unlikely that these reported drivers would move in isolation, sensitivities have been performed independently to illustrate the impact of changes to the capitalisation rate on the reported fair values and they do not represent the Board's estimate at 31 December 2022. Refer to Note 5 (k) for sensitivity analysis.

(v) 9-mile land commonly known as "Bush Wara"

On Monday 16 November 2020 the National Court at Waigani after a full trial ruled in favour of Nambawan Super's primary rights over the land portions 2156, 2157 and 2159, sometimes known as Bush Wara at 9-mile. Nambawan Super has served notice to inform the General Public and the Occupants of Portions 2156, 2157 and 2159, being the land contained with State Lease Volume 73, Folio 237, that the National Court has made its decision for Nambawan Super to have vacant possession of the parcels of land.

Nambawan Super intends to progress with plans to develop the site to provide more affordable housing to accommodate the growing Port Moresby population, and in particular the Fund's Members.

Nambawan Super will continue to work with the relevant Government Authorities with the aim of realising the value of this land for the benefit of Members and as a result no impairment provision has been recognised on these properties as at 31 December 2022. As at 31 December 2022 significant progress has been made in relation to this asset. Some of these milestones include:

- Establishment of an office at the site as a liaison point with squatters.
- Conducted a social mapping exercise, the Fund now has detailed records of the squatters currently residing on portions 2157, 2156, 2159.
- Obtained a court order to take possession of portion 2158.
- Allocated budget to begin fencing of the said portions.
- Commissioned a feasibility study to determine the best use of the land.

The squatters are yet to comply with the order of the National Court. As a result these conditions indicate that a material uncertainty exists that may cast significant doubt associated with Nambawan Super being able to realise the stated value of these properties without the full support of the relevant Government Authorities in relocating squatter communities which have been established illegally on these properties.

The Trustee is under regulatory obligation to ensure that any investment is to generate an appropriate return. In this respect Nambawan Super continues to develop an investment proposal as to the development of this land.

3. Property, plant and equipment

Non-investment fixed assets used in the operations of the Fund are included in property, plant and equipment, as set out on the next page. Property, plant and equipment associated with investment properties are included under Investments [Note 5(g)].

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Notes to and Forming Part of the Financial Statements for the year ended 31 December 2022

3. Property, plant and equipment (continued)

2022	Housing		Office Buildings			Vehicles	Total K'000
	Land & Building K'000	Plant and Equipment K'000	Works In Progress K'000	Furniture & Fittings K'000	Plant & Equipment K'000	Motor Vehicles K'000	
Cost							
At 1 January 2022	20,629	48	6,850	12,390	15,855	2,913	58,685
Additions	-	-	4,483	-	406	-	4,889
Transfers	-	-	(3,862)	-	3,862	-	-
Disposals	-	-	-	(3)	-	-	(3)
At 31 December 2022	20,629	48	7,471	12,387	20,123	2,913	63,571
Accumulated depreciation							
At 1 January 2022	686	31	-	9,592	9,574	1,735	21,618
Depreciation	197	6	-	717	2,541	369	3,830
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	(3)	-	-	(3)
At 31 December 2022	883	37	-	10,306	12,115	2,104	25,445
Net book value At 31 December 2022	19,746	11	7,471	2,081	8,008	809	38,126
2021	Housing		Office Buildings			Vehicles	Total K'000
	Land & Building K'000	Plant and Equipment K'000	Works In Progress K'000	Furniture & Fittings K'000	Plant & Equipment K'000	Motor Vehicles K'000	
Cost							
At 1 January 2021	20,629	48	2,896	12,176	15,472	2,474	53,695
Additions	-	-	4,378	214	391	451	5,434
Transfers	-	-	(424)	-	-	(12)	(436)
Disposals	-	-	-	-	(8)	-	(8)
At 31 December 2021	20,629	48	6,850	12,390	15,855	2,913	58,685
Accumulated depreciation							
At 1 January 2021	482	20	-	8,598	6,968	1,445	17,513
Depreciation	204	11	-	994	2,607	290	4,106
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	(1)	-	(1)
At 31 December 2021	686	31	-	9,592	9,574	1,735	21,618
Net book value At 31 December 2021	19,943	17	6,850	2,798	6,281	1,178	37,067

4. Right-of-use assets

The recognised right-of-use assets relate to the following types of assets: State land leases related to properties owned by the Fund as its investment properties, properties (i.e. buildings leased by the Fund for its use), and properties

leased for employee accommodation purposes. The breakdown of right-of-use assets per types of assets is provided below:

	<i>State land leases</i>	<i>Properties</i>	<i>Staff accommodation</i>	<i>Total</i>
	<i>K'000</i>	<i>K'000</i>	<i>K'000</i>	<i>K'000</i>
As at 31 December 2022				
Balance at 1 January 2022	8,712	29,019	552	38,283
Movements due to lease changes	-	-	-	-
Depreciation	(104)	(2,537)	(6)	(2,647)
Closing net book amount	8,608	26,482	546	35,636
At cost	9,248	39,678	569	49,495
Accumulated depreciation	(640)	(13,196)	(23)	(13,859)
Total	8,608	26,482	546	35,636

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Notes to and Forming Part of the Financial Statements for the year ended 31 December 2022

5. Investments

Financial assets at fair value through profit or loss	2022 K'000	2021 K'000
(a) Financial assets – unlisted shares (onshore)		
Balance at the beginning of the year	1,338,119	1,305,217
Investments during the year	22,141	87,121
Divestments during the year	(7,945)	-
Fair value loss from change in net market value	11(e) 35,660	(54,219)
Balance at the end of the year	1,387,975	1,338,119
(b) Financial assets – listed shares (onshore)		
Balance at the beginning of the year	748,636	796,836
Additions	-	258,594
Divestments during the year	(63,239)	(300,088)
Foreign exchange gain/(loss) during the year	(16,701)	(6,773)
Fair value gain from change in net market value	11(e) 48,348	67
Balance at the end of the year	717,044	748,636
(c) Financial assets – listed shares (offshore)		
Balance at the beginning of the year	1,246,552	1,037,025
Investments during the year	768,321	255,802
Divestments during the year	(631,115)	(170,183)
Realised gain/(loss) on disposal	-	(2,841)
Foreign exchange gain/(loss) during the year	(30,838)	(22,821)
Fair value gain/(loss) from change in net market value	11(e) (221,896)	149,570
Balance at the end of the year	1,131,024	1,246,552
(d) Financial assets – bonds (offshore)		
Balance at beginning of year	179,944	172,943
Purchases during the year	17,093	119,656
Maturities during the year	(96,128)	(102,693)
Increase/(decrease) in accrued interest receivable	-	-
Foreign exchange gain/(loss) during the year	272	-
Fair value gain from change in net market value	11(e) (21,240)	(9,962)
Balance at the end of the year	79,941	179,944
Total financial assets at fair value through profit or loss	3,315,984	3,513,251

Financial assets at fair value through profit or loss	2022 K'000	2021 K'000
(e) Financial assets at amortised cost		
Government Inscribed Stocks & Treasury Bills – onshore		
Balance at beginning of year	3,974,591	3,812,973
Purchases during the year	2,942,846	2,233,186
Maturities during the year	(2,523,749)	(2,047,520)
Disposals	-	(30,000)
Increase/(decrease) in accrued interest receivable	(27,404)	11,500
Provision for impairment	(4,748)	(5,548)
Balance at the end of the year	4,361,536	3,974,591
(f) Loans receivable		
Balance at the beginning of the year	108,665	67,717
Drawdowns made	-	1,140
Conversion of related party receivable to loans	54,221	-
Payments received	(51,768)	-
Decrease/(increase) in provision for impairment, net	13,142	33,939
Interest charged	6,097	5,869
Balance at the end of the year	130,357	108,665

The loans attract interest at an average rate of 6.5% (2021: 10%). Interest is repayable monthly and the principal amount is repayable in accordance with the respective loan agreements, with maturities varying between 2021 and 2022. The majority of this interest is on construction loans given to related

companies – Waigani Assets Limited (WAL) (K84 million) and Rangeview Heights Limited (RVH) (K49 million). The loans receivable for RVH and WAL are stated on a gross basis i.e. before impairment.

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Notes to and Forming Part of the Financial Statements for the year ended 31 December 2022

5. Investments (continued)

	2022 K'000	2021 K'000
(g) Investment properties		
Properties at fair value		
Balance at the beginning of the year	541,571	537,092
Disposals	(35,642)	-
Transfer from capital work in progress	-	-
Transfer to assets held for sale	-	-
Transfer from assets held for sale	-	-
Fair value gain from change in net market value	11(e) (17,008)	4,479
Balance at the end of the year	488,921	541,571
Capital work in progress – properties under construction (at cost)		
Balance at the beginning of the year	12,740	4,954
Additions	5,950	7,786
Transfer to assets held for sale	-	-
Transfer to investment properties	-	-
Balance at the end of the year	18,690	12,740
Total investment properties	507,611	554,311
(h) Assets held for sale		
Properties held for sale		
Balance at the beginning of the year	969	22,131
Transfer from investment properties	-	-
Transfer to investment properties	-	-
Disposals and write offs	-	(21,162)
Balance at the end of the year	969	969
Certain properties of the Fund are held for the purpose of sale. These sales are expected to be completed within a period of a year.		
Total investments	8,316,457	8,151,787

(i) Asset Allocation *

Asset Class	Holding Interest (%)		Portfolio Value (K'000)	
	2022	2021	2022	2021
Onshore				
Equities				
Listed	9	9	717,044	748,636
Unlisted	17	17	1,387,975	1,338,119
Financial assets at amortised cost	52	49	4,361,536	3,974,591
Property	6	7	507,611	554,311
Assets held for sale	0	0	969	969
Loans	2	1	130,357	108,665
Offshore				
Equities				
Listed	14	15	1,131,024	1,246,552
Unlisted	0	0	-	-
Bonds at fair value	1	2	79,941	179,944
Total excluding short-term deposits	100	100	8,316,457	8,151,787

Listed Equities – onshore	Industry	Valuation Method	Value (K'000) 2022	Value (K'000) 2021
BSP Financial Group Ltd	Banking	Last Bid Price	579,297	620,408
Credit Corporation Ltd	Finance	Last Bid Price	116,453	105,751
City Pharmacy Ltd	Wholesale/Retail	Last Bid Price	21,294	22,477
Total			717,044	748,636

Financial Assets at Amortised Cost	Industry	Valuation Method	Fair Value Movement (K'000) 2022 vs 2021	Other Movements (K'000) 2022 vs 2021
Government Inscribed Stock	Banking & Finance	Amortised cost	599,486	-
Treasury Bills	Banking & Finance	Amortised cost	(212,541)	-
Total			386,945	-
2022 total value				4,361,536
2021 total value				3,974,591

* Nambawan Super Limited's full Audited Financial Statements, including valuations not disclosed in this report due to market sensitivity, are available for sighting in person by Members at the Nambawan Super Head Office, Level 2, Deloitte Haus Building, McGregor St, Port Moresby.

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Notes to and Forming Part of the Financial Statements for the year ended 31 December 2022

5. Investments (continued)

(i) Asset Allocation (continued) *

Unlisted Equities – onshore	Industry	Valuation Method	Fair Value Movement (K'000) 2022 vs 2021	Other Movements (K'000) 2022 vs 2021
Capital Insurance Group Ltd	Insurance	[Disposed]	-	(7,945)
Coastwatchers Court Ltd	Property	Net Assets	299	-
Gazelle International Hotel Ltd	Hotel	Net Assets	890	-
Kumul Hotels Ltd	Hotel	Net Assets	10,330	-
Moki No. 10 Ltd	Real Estate	Net Assets	(17,396)	-
Morobe Front Holdings Ltd	Property-development	Net Assets	(28)	-
Paradise Foods Holdings Ltd	Food & Snacks	COE	86,768	-
PNG Water Ltd	Utilities	Net Assets	62	-
South Pacific Post Ltd	Media	COE	1,260	-
South Pacific Brewery Ltd	Brewery	COE	32,920	-
Toyota Tsusho (PNG) Ltd	Motor Vehicle	COE	6,529	-
Westpac Bank (PNG) Ltd	Banking	COE	(2,365)	-
OPH Ltd - Ordinary shares*	Property	Net Assets	25,760	-
Waigani Asset Ltd	Property	Net Assets	(1,198)	-
Rangeview Heights Ltd	Property	Net Assets	(86,030)	-
Total			57,801	(7,945)
2022 total value				1,387,975
2021 total value				1,338,119

Net assets - net assets on a going concern or orderly realization of assets

COE - capitalization of future maintainable earnings

DCF - discounted cash flow

CR - capital raising documentation

^^ - method of valuation changed from prior year

Unlisted equities are valued at fair value at balance date, as determined generally by registered independent professional valuers. The valuations as at 31 December 2022 and 2021 were conducted by KPMG PNG. The valuation methods used as disclosed above are considered the most relevant and appropriate. Three main valuation methods are used:

(1) Capitalisation of Earnings (COE), which estimates a sustainable level of future maintainable earnings and applies an appropriate earnings multiple derived from market transactions of comparable entities or operational plans to derive a value;

(2) The Net Assets method which has been used by the valuers where the entity has significant real estate backing and earnings are limited or inconsistent; and

(3) The Discounted Cash Flow method where net present value is determined from estimated future cash flows. There was no change in valuation methods from the prior period.

Changes in fair values are recorded in the Statement of Comprehensive Income as part of the fair value gain/(losses).

(i) Asset Allocation (continued) *

Property	Section/Allotment	Milinch	Fair Value Movement (K'000) 2022 vs 2021	Other Movements (K'000) 2022 vs 2021
Commercial				
Aopi Centre	409 – (15)	Hohola (POM)	(3,900)	-
Vulupindi Haus	390 – (12,13,14)	Hohola (POM)	2,550	-
Mogoru Moto (sold)	20 – (13)	Granville (POM)	-	(33,400)
Revenue Haus	20 – (11)	Granville (POM)	(4,825)	-
Port Tower	3 – (21)	Granville (POM)	(1,200)	-
Morobe Haus	6 – (19 & 20)	Lae	(1,650)	-
Nambawan Super Building	49 – (41 & 23)	Lae	(1,376)	-
Residential				
Bayside Apartments	Portion 178	Granville (POM)	(800)	-
Portion 212 Apartments	Portion 212	Lae	1,750	-
Malolo Estate Properties		8 Mile (POM)	1	-
Pinnacle Apartments	63 – (22)	Granville (POM)	(1,800)	-
Light Industrial				
NSL Warehaus	64 – (16)	Hohola (POM)	950	-
Voco Point Warehaus (sold)	42 – (5 & 6)	Lae	-	(3,000)
Under Development				
Ex Post PNG	387 – (20)	Boroko (POM)	-	-
Vacant Land				
9 Mile Land	2156, 2157, 2159	Bomana (POM)	-	-
Banz (Angco Ltd)	5 – (1)	Goroka	-	-
Banz (Angco Ltd)	6 – (1)	Goroka	-	-
Banz (Angco Ltd)	5 – (2-3)	Goroka	-	-
Total			(10,300)	(36,400)
2022 total value				507,611
2021 total value				554,311

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Notes to and Forming Part of the Financial Statements for the year ended 31 December 2022

5. Investments (continued)

(i) Asset Allocation (continued) *

Investment properties are valued at fair value at balance date with values of K508 million (2021: K554 million), as determined by the Board, utilising the services of external valuers. The valuations as at 31 December 2022 were conducted by The Professionals Real Estate Limited who are independent registered property valuers and Kina Funds Management (KFM) who are the Licensed Investment Manager of the Trustee. KFM has been utilized for certain property valuations and their fees have not increased due to these valuations, nor did they take a fee for the valuations performed. (2021: The Professionals Real Estate Limited). The valuation methods used are considered the

most relevant and appropriate. The main valuation methods used are:

- Capitalisation of Earnings (COE), which estimates a sustainable level of future maintainable earnings and applies an appropriate capitalisation rate derived from market transactions of comparable entities or operational plans to derive a value;
- The Discounted Cash Flow method where net present value is determined from estimated future cash flows discounted to a present value; and
- For land, comparison with recent observable transactions.

There was no change in valuation methods from the prior year.

Loans	Industry	Fair Value Movement (K'000) 2022 vs 2021	Other Movements (K'000) 2022 vs 2021
OPH Ltd	Property	(33,939)	0
Waigani Asset Ltd	Property	(6,544)	0
Rangeview Heights Limited	Property	49,031	0
Less impairment provision	Property	13,144	0
Total		21,692	0
2022 total value			130,357
2021 total value			108,665

Assets Held For Sale	Section/Allotment	Milinch	Value (K'000) 2022	Value (K'000) 2021
Total			969	969

Listed Equities – offshore	Industry	Valuation Method	Value (K'000) 2022	Value (K'000) 2021
Blackrock Wholesale Index Fund	Indexed Funds	Last Bid Price	248,379	315,588
Acadian Global Managed Volatility Equity Fund		Last Bid Price	81,669	96,600
Lazard Global Managed Volatility Fund (divested)	Indexed Funds	Last Bid Price	-	270,372
Robeco Global DM Conservative Equities Fund (divested)		Last Bid Price	-	360,734
Amundi Funds - Polen Capital Global Growth Capitalisation (USD)	Indexed Funds	Last Bid Price	68,762	99,598
Schroder Int'l Selection Fund - Global Equity Capitalisation (USD)	Indexed Funds	Last Bid Price	83,663	103,660
LYXOR Core MSCI World ETF Cap. (USD)	Indexed Funds	Last Bid Price	290,917	-
HSBC MSCI World ETF (USD)	Indexed Funds	Last Bid Price	277,458	-
Goldman Sachs EM EQ Fund (USD)	Indexed Funds	Last Bid Price	80,176	-
Total			1,131,024	1,246,552

(j) Single investment exceeding 5% of the net assets:

Investment	Type	% Holding	% of net Assets 2022	Value (K'000) 2022	Value (K'000) 2021
BSP Financial Group Limited	Listed equity	10.3	6	579,297	620,408
Bank of Papua New Guinea	GIS/T Bills	N/A*	49	4,361,536	3,974,591

* Information on total volumes of GIS/TBills is not publicly available.

(k) Sensitivity analysis

The following table demonstrates the sensitivity of investment valuations to changes in significant input assumptions and estimates:

Category	Method	Value K'000	Unobservable Inputs	Weighted Average Input	Reasonable Possible Shift +/-	Revised Value +/-
Property Commercial	Capitalisation / Comparable	335,950	Cap Rate	Various	-0.50%	356,129
					0.50%	317,561
			Rental/sqm	Various	-5%	318,471
					5%	353,429
Property Residential	Capitalisation / Comparable	53,561	Cap Rate	Various	-0.50%	56,128
					0.50%	51,214
			Rental/sqm	Various	-5%	50,817
					5%	56,305
			Sale price / sqm value	Various	-5%	50,883
5%	56,239					
Property Light Industrial	Capitalisation / Comparable	10,300	Cap Rate	Various	-5%	10,774
					5%	9,865
Listed Offshore Equities	Exchange Rate	1,131,024	Exchange Rate	0.2915 & 0.491	-5%	1,190,552
					5%	1,107,166
Listed Onshore Equities	Last Bid Price	717,044	Last Bid	Various	-5%	681,192
					5%	752,896
Unlisted Onshore Equities	Various	1,387,975	Multiples/ Discounts/ Property Value	Various	-10%	1,302,588
					10%	1,473,362

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Notes to and Forming Part of the Financial Statements for the year ended 31 December 2022

5. Investments (continued)

(I) Fair Value Hierarchy

The table below analyses financial instruments and other investments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that

is, as prices) or indirectly (that is, derived from prices) (level 2); and

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Fund's assets and liabilities that are measured at fair value at 31 December 2022.

	Level 1 K'000	Level 2 K'000	Level 3 K'000	Total K'000
2022				
Financial assets				
Listed securities	1,848,068	-	-	1,848,068
Unlisted securities	-	-	1,387,975	1,387,975
Bonds offshore	79,941	-	-	79,941
Non-financial assets				
Assets held for sale	-	-	969	969
Investment properties	-	-	507,611	507,611
Total	1,928,009	-	1,896,555	3,824,564
2021				
Financial assets				
Listed securities	1,995,188	-	-	1,995,188
Unlisted securities	-	-	1,338,119	1,338,119
Bonds offshore	179,944	-	-	179,944
Non-financial assets				
Assets held for sale	-	-	969	969
Investment properties	-	-	554,311	554,311
Total	2,175,132	-	1,893,399	4,068,531

There were no transfers between levels during the year.

(l) Fair Value Hierarchy (continued)

The fair value of financial instruments traded in active markets is based on quoted prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available. The quoted market price used for financial assets held by the Fund is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily Papua New Guinea Stock Exchange (PNGX) or Australian Stock Exchange (ASX) equity investments. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value other than Level 1 investments include:

- Quoted market prices, results of Bank of PNG auction or dealer quotes for similar assets or instruments; and
- Other techniques such as multiples of future maintainable earnings, net asset values or discounted cash flow analysis are used to determine value of the remaining financial instruments and investment properties.

6. Short term deposits

	2022 K'000	2021 K'000
Term deposits (maturities more than 6 months) - onshore	346,000	40,000
Accrued interest	6,452	285
Total short term deposits	352,452	40,285

7. Receivables

	2022 K'000	2021 K'000
Rental debtors	63,510	83,368
Less: Provision for doubtful debts	(1,875)	(1,875)
	61,635	81,493
Sundry debtors	71	91
State unfunded – interim interest	-	-
Related party receivable	1,065	60,124
Provision for doubtful debts on related parties	-	(1,638)
Dividend receivable	9,138	11,129
Prepayments and GST refundable	15,298	13,663
Staff housing scheme and advances	1,924	1,771
Total receivables	89,131	166,633

Impaired rental debtors

Details in relation to impairment of rental debtors are shown in Note 2(t). Approximately K100 million in outstanding rentals were collected during 2022 which were used to offset outstanding amounts across the State Occupied Properties. Management

have therefore concluded that the amounts currently owing are collectible and have deemed that no additional provisioning is required in 2022.

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Notes to and Forming Part of the Financial Statements for the year ended 31 December 2022

8. Cash on hand and at banks

	2022 K'000	2021 K'000
Banks – offshore	32,347	58,336
Banks – onshore	147,182	430,193
Cash on hand	54	80
Total cash on hand and at banks	179,583	488,609

9. Creditors and other liabilities

	2022 K'000	2021 K'000
Creditors	12,732	12,619
Members' deposits	18,934	53,560
Rental bond fees	2,394	2,836
Deposits on sale of properties	122	121
Total creditors and other liabilities	34,182	69,136

10. Lease liabilities

As disclosed in Note 4, the right-of-use assets and related lease liabilities are recognized in relation to the following types of assets: State land leases related to properties owned by the

Fund as its investment properties, properties (i.e. buildings leased by the Fund for its use), and properties leased for employee accommodation purposes.

	2022 K'000	2021 K'000
State land leases	5,819	5,980
Properties	33,335	34,704
Employee accommodation	459	472
Total lease liabilities	39,613	41,156

Total lease liabilities as of 31 December 2022 include current liabilities of K2.1 million (2021: K4.2 million) and non-current liabilities of K37.5 million (2021: K37 million).

	2022 K'000	2021 K'000
Minimum Lease payments:		
Not later than 1 year	3,906	3,957
Later than 1 year and not later than 5 years	15,607	19,513
Later than 5 years	51,160	51,161
Total	70,673	74,631
Less: Unexpired finance charges	(31,060)	(33,475)
Net total	39,613	41,156
Present value of lease liabilities:		
Not later than 1 year	2,098	1,983
Later than 1 year and not later than 5 years	9,688	11,785
Later than 5 years	27,827	27,388
Total	39,613	41,156

Interest on lease liabilities recognized in profit or loss by the Fund amount to K2.7 million (2021: K2.4 million).

Movement in net lease liabilities as per below:

	2022 K'000	2021 K'000
Opening balance	41,156	43,028
Finance costs	2,711	2,372
Finance costs paid	(2,711)	(2,372)
Repayment	(1,543)	(1,872)
Closing balance	39,613	41,156

The weighted average lessee's incremental borrowing rate applied to the lease liabilities was 5.67% per annum, which represents the interest rate on the most recent funding by

Westpac to the Fund's subsidiary RVH Ltd to fund its borrowing from the Fund.

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Notes to and Forming Part of the Financial Statements for the year ended 31 December 2022

11. Income

	2022 K'000	2021 K'000
(a) Interest		
Government inscribed stock and Treasury bills	343,689	352,304
Loans	6,096	5,869
Short-term deposits	8,506	2,325
Total	358,291	360,498
(b) Dividends		
Listed equities	102,654	84,999
Unlisted equities	83,581	123,318
Total	186,235	208,317
(c) Revenue from property rental contracts		
Gross rental income	57,416	56,094
(d) Foreign exchange gains/(losses)		
	(18,862)	(4,195)
(e) Net gains/(losses) on assets at fair value		
Unrealised fair value gains/(losses)		
Listed equities – onshore	48,348	67
Listed equities – offshore	(221,896)	149,570
Bonds - offshore	(21,240)	(9,962)
Unlisted equities	35,660	(54,219)
Investment properties	(17,008)	4,479
Realised fair value gains/(losses)		
Listed equities	(17,382)	-
Unlisted equities	3,393	-
Investment properties	(10,400)	1,188
Assets held for sale	-	-

	2022 K'000	2021 K'000
(e) Net gains/(losses) on assets at fair value (continued)		
Foreign Exchange gains/(losses)		
Unrealised foreign exchange gains/(losses) on offshore listed equities	(30,564)	(22,821)
Unrealised foreign exchange gains/(losses) on onshore listed equities	(16,702)	(6,773)
Net fair value gains/(losses)	(247,791)	61,529
(f) Other income		
Sale of assets	1,409	-
Interest on staff housing scheme grants & other income	1,050	299
Total	2,459	299

Additional information in relation to revenue from property rental contracts with customers

Revenue in relation to property rental contracts is recognised on a straight-line basis over the period of the lease contract. Amounts outstanding for rents receivable which are unconditional are recognised in receivables. No other contract assets, or amounts in relation to costs incurred to obtain a contract, are recognised in relation to property rental contracts with customers. Contract liabilities in relation to rental income invoiced in advance and tenant rental bonds are recognised within creditors and other liabilities (Note 9).

There were no amounts recognised in the current reporting period relating to performance obligations satisfied in a prior year and no other amounts have been recognised at balance date in relation to unsatisfied performance obligations.

The period of leases whereby the Fund leases out its investment properties under operating leases is generally three years or more.

The future aggregate minimum rentals receivable under non-cancellable property leases are as follows.

	2022 K'000	2021 K'000
No later than 1 year	1,283	-
Later than 1 year and no later than 5 years	5,899	14,054
More than 5 years	24,890	27,847
Total	32,072	41,901

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Notes to and Forming Part of the Financial Statements for the year ended 31 December 2022

12. Expenses

	2022 K'000	2021 K'000
(a) Loans and receivables impairments expense		
Provision for impairment expense – fixed interest	4,672	5,549
Total	4,672	5,549
(b) Management expenses		
Staff remuneration	34,511	31,245
Office expenses	15,037	12,058
Professional fees	5,026	10,458
Directors' fees & expenses	2,893	2,623
Regulatory Superannuation Levy	6,226	6,278
Staff housing and other benefits	644	936
Depreciation on property plant and equipment	3,830	4,106
Depreciation on right-of-use assets	2,647	2,674
Finance cost – IFRS 16	2,711	2,371
Advertising	142	2,922
Travel expenses	717	187
Auditor's remuneration - statutory audit services	632	550
Vehicle expenses	357	237
Conferences and workshop	281	30
Other expenses	1,192	4,167
Total	76,846	80,842



13. Income tax

The income tax charged on operating profit is determined as follows:

	2022 K'000	2021 K'000
(a) Income tax expense		
Operating profit	222,357	606,466
Prima facie tax at 25%	55,589	151,617
Tax effect of:		
Fair value changes in investments	65,016	(19,495)
Dividend rebate	(47,057)	(50,759)
Foreign exchange gain - capital account	4,716	7,394
Other	(28)	(8,170)
Income tax expense for the year	78,236	80,587
Current year income tax expense comprises:		
Current income tax	86,176	75,364
Deferred income tax	(7,940)	5,223
Total	78,236	80,587
(b) Income tax receivable/(payable)		
Opening balance	72,038	91,482
Current income tax	(86,176)	(75,364)
Tax payments	120,817	55,920
Closing balance	106,679	72,038

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Notes to and Forming Part of the Financial Statements for the year ended 31 December 2022

13. Income tax (continued)

	2022 K'000	2021 K'000
(c) Deferred income tax payable, net		
Opening balance at the beginning of the year	(51,120)	(45,897)
Movement during the year	7,941	(5,223)
Closing balance	(43,179)	(51,120)
Comprising		
Investment properties	(16,677)	(15,639)
Interest receivable	(15,112)	(21,963)
Rent receivable	(15,877)	(20,842)
Foreign exchange gain – non capital	-	-
Dividend receivable	(2,284)	(2,782)
Prepaid insurance	(487)	(367)
Fixed assets	(7,073)	(7,912)
Lease liability	9,903	10,289
Employee benefits	1,906	1,812
Doubtful receivables and loans	469	3,754
Losses	85	105
Other accruals	1,968	2,425
Total	(43,179)	(51,120)

14. Members' funds

Members' funds are represented by contributor funds, contributor housing withdrawals, pensioner funds and Retirement Savings Accounts, together with a reserve. Contributor funds are credited with contributions on a cash-received basis. For 2022, interest allocated to contributor funds was determined on Member balances at a rate of 1.6% (2021: 6.5%) based on a daily time weighted basis.

Contributor housing withdrawals comprise withdrawals from contributor funds, which are repaid by way of additional contributions at a minimum rate of 2% and from Member's entitlements at the time of exit where the advance is not fully restored at the time of exit.

	2022 K'000	2021 K'000
(a) Contributor Funds		
Opening balance	8,773,906	8,078,512
Add		
Members' contributions received during the year	296,648	297,688
Employers' contributions received during the year	570,053	513,914
Transfers from other funds	4,288	15,167
	870,989	826,769
Interest allocation	131,112	513,250
	9,776,007	9,418,531
Deduct		
Member benefits paid during the year	(727,210)	(565,727)
Transfers to RSA during the year	(109,264)	(72,819)
Unemployment benefits paid	(5,649)	(6,079)
	(842,123)	(644,625)
Closing balance	8,933,884	8,773,906
Member benefit paid during the year:		
Retirement	(712,703)	(535,027)
Death	(14,507)	(30,700)
Total	(727,210)	(565,727)

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Notes to and Forming Part of the Financial Statements for the year ended 31 December 2022

14. Members funds (continued)

	2022 K'000	2021 K'000
(b) Housing Advances		
Opening balance	(226,632)	(171,011)
Advances or Member withdrawals	(99,329)	(87,973)
Repayments received	41,354	32,352
Closing balance	(284,607)	(226,632)
(c) Pensioner Funds		
Opening balance	11,508	13,350
Receipts during the year	-	-
Payments during the year	(1,884)	(1,842)
Closing balance	9,624	11,508
Total Members accounts and pensioner funds	8,658,901	8,558,782
(d) Retirement Savings Account		
Opening balance	208,396	165,094
Transfers from contributor funds during the year	109,265	72,819
Interest allocation	4,429	14,312
Payments during the year	(58,311)	(43,829)
Closing balance	263,779	208,396
(e) Choice Super Account		
Opening balance	14,837	11,261
Members' contributions received during the year	3,835	3,152
Interest allocation	4,869	649
Payments during the year	(31)	(225)
Closing balance	23,510	14,837
Total contributor funds	8,946,190	8,782,015



14. Members funds (continued)

	2022 K'000	2021 K'000
(f) Reserves		
Retained earnings and general reserve	22,447	18,736
Section 35(2)(c) reserve	21,278	21,278
Revaluation reserve - property	1,447	1,447
Total	45,172	41,461
Total Members funds	8,991,362	8,823,476

The amounts held in the above reserve accounts are unallocated benefits for the Members. These reserves may be allocated to the Members at the discretion of the Trustee

after considering the necessary prudential and statutory requirements.

	2022 K'000	2021 K'000
(g) Movement in retained earnings and general reserves		
Beginning balance	41,461	43,793
Net increase in net assets from operations available for benefits	144,121	525,879
Interest allocated to contributor funds	(140,410)	(528,211)
Closing balance	45,172	41,461

15. Funding arrangements

(a) Unfunded liability of the State

At the end of 2022 the future unfunded liability of the State to Members is estimated to be K2 billion (2021: K2.1 billion). This is not an obligation of the Fund.

(b) Exiting Members

As Members exit the Fund, the State is legally obliged to make its outstanding employer contributions for the years 2009 and prior plus interest on this unpaid amount based on the interest credit rate for each prior year until the year of exit. The State is also required to pay fortnightly the employer contribution of 8.4% from 2010 onwards.

Up until December 2015, the statutory total benefit was paid to the exiting Members by the Fund voluntarily, including the unfunded portion that was the State's responsibility, regardless of arrears in payments by the State. At the end of each month the Fund invoiced the State for these exit payments made on behalf of the State.

In December 2015, the Board of the Fund reviewed the quantum and age of the Members exit debt receivable from the State. Since the receivable was in excess of 12 months, and based on Member equity and commercial considerations, the Board made a decision not to pay the State's employer debt or obligation until such time as the State made up arrears and started paying for exiting Members again. The Fund is

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still paying exiting Members all accumulated funds that the Fund has actually received and holds on account for the Member but will not use existing Members' funds to cover the State's obligation. The Board believes that it is inequitable for the current Members' funds to be used to meet the State's obligation. Therefore, Nambawan Super Limited's Board and Management have taken the decision to pay only what the Fund holds for the exiting Member, which is the 6% employee contribution plus the interest earned by the Fund over time, plus part of the 8.4% contributed up to 2008 and contributions received from 2009 to the time of their exit. The contribution by the State since 2003 is explained in paragraph (c) below.

(c) State's obligations on Employer contributions

From 2002, the State was allowed to adopt a phased catch up of remitting the full 8.4% component of Employer Contributions on a continuous future basis under the Provisions of the Superannuation Act, as detailed below:

- 0% of the 8.4% employer contribution for 2002,
- 25% for 2003 and 2004;
- 50% for 2005 and 2006;
- 75% for 2007 and 2008; and
- 100% from 2009 onward.

The balance of the amounts due for each of the above years (other than 2009 onwards) is payable by the State on retirement of the employee.

From 2012, the State has been remitting the full 8.4% employer contributions on a fortnightly basis but remains liable for the unpaid portions in relation to earlier years.

16. Financial Risk Management

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk) and credit risk. The Trustee has appointed an Investment Committee with a charter to maintain and manage the investments of the Fund. The Investment Committee has appointed a Licensed Investment Manager in accordance with Section 8 of the *Superannuation (General Provision) Act 2000*.

The investments of the Fund (other than cash held for liquidity purposes) are reviewed on behalf of the Trustee by Kina Funds Management Limited (KFM). The Trustee has determined that

appointment of this manager is appropriate for the Fund and is in accordance with the Fund's investment strategy. The Trustee obtains regular reports from the Investment Manager on the nature of the investments made on its behalf and the associated risks. The Trustee also utilizes the services of Fund Managers in relation to its Offshore Investment Portfolio. These Fund Managers execute NSL's board mandated International Strategic Asset Allocation and provide regular reports on the performance of these investments.

(a) Market risk

(i) Foreign exchange risk

The Fund is exposed to foreign exchange risk in relation to international investments and deposits. The Fund does not have any specific hedging policies to mitigate this risk but the Fund does monitor the impact of this risk on an ongoing basis. Approximately 14% (2021:15%) of investments are offshore investments subject to foreign exchange risk.

(ii) Price risk

The Fund is exposed to equity securities price risk. These arise from investments held by the Fund and are classified on the Statement of Net Assets Available for Benefits as financial assets at fair value. The Fund's Investment Manager does not use derivative financial instruments to reduce risks in the share and currency market and to increase or decrease the Fund's exposure to particular investment classes or markets.

(iii) Interest rate risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments on behalf of its Members. The Fund's investments are subject to interest rate risks and the return on the investments will fluctuate in accordance with movements in the market interest rates.

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, investments in government inscribed stock and treasury bills and loans receivable, as well as credit exposures to rental customers, including outstanding receivables. The Fund has no significant concentrations of credit risk with the exception of the Government of PNG. Details of the significant judgments and assumptions made in assessing

credit risk, together with details of credit risk exposures at balance date, are provided in Note 2(s).

(c) Fair value gain on financial assets

The Fund's financial assets and liabilities, are included in the Statement of Net Assets Available for Benefits at amounts that approximate net fair value.

(d) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to

generate sufficient cash resources to settle its obligations in full or can only do so on terms that are materially disadvantageous. The Fund manages this risk by ensuring that it has sufficient liquidity in cash and short term readily convertible cash equivalents to meet financial obligations as and when they fall due.

The table below shows the Fund's financial liabilities in relevant maturity grouping:

	Less than 1 year K'000	1-2 years K'000	2-5 years K'000	Over 5 years K'000	Total K'000
31 December 2022					
Benefits payable	2,103	-	-	-	2,103
Employee benefits payable	7,625	-	-	-	7,625
Creditors and other liabilities	34,182	-	-	-	34,182
Lease liabilities	3,906	3,902	11,705	51,160	70,673
Total	47,816	3,902	11,705	51,160	114,583
31 December 2021					
Benefits payable	2,562	-	-	-	2,562
Employee benefits payable	7,252	-	-	-	7,252
Creditors and other liabilities	69,136	-	-	-	69,136
Lease liabilities	3,957	4,878	14,635	51,161	74,631
Total	82,907	4,878	14,635	51,161	153,581

17. Policies required under the Prudential Standards

As part of *Prudential Standard 1/2014*, issued by the Bank of Papua New Guinea and effective from 31 December 2015, an Authorised Superannuation Fund (ASF) must review annually a variety of policies and publish some of these on its website and in the annual report.

(a) *Sections 17, 18 and 19 (PS 1/2014)*: the "Crediting Rate Policy" refer to the policy on the Nambawan Super website;

(b) *Section 14d (PS 1/2014)*: The "Reserving Policy" refer to the policy on the Nambawan Super website.

The Board reviews these policies as part of its annual policy review calendar.

18. Events subsequent to balance sheet date

As at the date of signing these Financial Statements Management was not aware of any subsequent events of significance that would have a material impact on the Financial Statements as at 31 December 2022.

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19. Related party disclosures

(a) The Trustee of the Fund throughout the year was NSL. The names of persons who were Directors of the Trustee company at any time during the financial year and up to the date of this report were:

Mr. Daniel Siaguru-Khaisir (joined 15 March 2022)
Mr. Alan Kam (tenure ended 9 December 2022)
Dame Meg Taylor, DBE
Mr. Michael Uiari
Mr. Philip Samar (joined 5 October 2022)
Mr. Richard Sinamoi

Mr. Reginald Monagi
Mrs. Karen Gibson
Mr. Lutz Heim
Dr. Thomas Webster (resigned 13 May 2022)
Prof. David Kavanamur (tenure ended 25 February 2022)

Directors' remuneration comprises an annual stipend and sitting fees. No bonus or other monetary benefits were paid during the year. Airfares and motor vehicles are provided for non-Port Moresby residents when meetings are conducted in Port Moresby. The details are as per the succeeding table:

Name of Director	Role	Total Remuneration	Main Board meetings attended	Audit & Risk Committee meetings attended	Remuneration & Nomination Committee meetings attended	Investment Committee meetings attended	Membership Committee meetings attended	Transformation Committee meetings attended
Reginald Monagi	Chairman	K298,000	8/8	NA	NA	NA	NA	NA
Richard Sinamoi	Director	K224,250	7/8	2/2	NA	11/11	4/4	NA
Karen Gibson	Director	K287,817	8/8	7/7	1/1	NA	NA	5/5
Daniel Siaguru-Khaisir	Director	K233,483	7/7	5/5	6/6	NA	4/4	4/4
Michael Uiari	Director	K271,747	7/8	5/5	NA	9/10	NA	4/4
Alan Kam	Director	K182,137	7/8	NA	6/6	9/10	NA	4/5
Dame Meg Taylor	Deputy Chairperson	K251,444	7/8	2/2	6/7	NA	4/4	NA
Philip Samar	Director	K117,363	1/1	NA	NA	NA	NA	NA
Lutz Heim	Director	K229,500	8/8	7/7	NA	11/11	NA	NA
Prof. David Kavanamur	Director	K3,000	1/1	NA	1/1	1/1	NA	1/1

Directors' fees are disclosed before tax, consistent with previous years.

(b) Directorship disclosure – key Management

Name	Role	Nature of interest	Company
Paul Sayer	Chief Executive Officer	Self – Personal Interest	AMP Commonwealth Bank IAG Group Fortescue Metals Group Insignia Financial Limited Lendlease Group Macquarie Bank National Aust. Bank Pilbara Minerals Limited Westpac Banking Group Woolworths
		Directorships (family owned companies)	Acclivius Pty Ltd Mallard Enterprises Pty Ltd Silverstreams Australia Pty Ltd
		Director non-paid charity (NFP role)	Board Member of PNG Biodiversity and Climate Fund
		Director/Beneficiary	PCFS Nominees (Trustee Company for a Self-Managed Fund)
Vere Arava	Deputy Chief Executive Officer	Director	Nambawan Savings & Loans Society
David Kitchnoge	Chief Investment Officer	Director	PNG Water Limited
Pochon Lili	Chief Financial Officer	Shareholder	BSP Financial Group Limited
		Shareholder	Santos Limited
		Director	Sew Empower Incorporated
Beverlyn Malken	Company Secretary	Secretary	St John's Ambulance of PNG

The remuneration package for the Chief Executive Officer (CEO) is determined by the Board of Directors while Senior Management packages are determined by the CEO in

collaboration with the Remuneration and Nomination Committee having regard to, among other factors, current market data.

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Compensation

The compensation paid to key Management for employee services is shown below.

	2022 K'000	2021 K'000
Salaries	9,847	9,286
Leave accruals	1,181	1,981
Total	11,028	11,267

The following table shows the number of employees in different salary bands during 2022.

Salary Range	Number of Employees	
	2022	2021
K100,000 – K150,000	22	21
K151,000 – K200,000	9	8
K201,000 – K250,000	3	4
K251,000 – K300,000	2	4
K301,000 – K600,000	8	3
K601,000 – K700,000	-	-
K701,000 – K800,000	1	3
K801,000 – K900,000	1	-
K901,000 – K1,500,000	-	1
K1,500,000 +	1	1

c) During the financial year the Fund earned K5.8 million interest on term deposits (2021: Nil) from Kina Finance Limited, a finance company which has common shareholders with the Fund's Investment Manager, Kina Funds Management Limited.

d) The Kina Group also provides Investment Management and Fund Administration services, related fees paid to the Kina Group amounted to K9.4 million (2021: K9.2 million) and K10.9 million (2021: K10.9 million) respectively.

e) Nambawan Super holds controlling equity interests and/or provides Nominee Director positions in the following unlisted entities based in PNG.

- Coastwatchers Court Limited
- Gazelle International Hotel Limited
- Kumul Hotels Limited
- Moki No. 10 Limited
- Morobe Fronts Holdings Limited
- Fernvale Limited
- Waigani Asset Limited
- Nambawan Savings & Loan Society Limited
- OPH Limited
- Pacific Building Management Services Limited
- Rangeview Heights Limited
- Paradise Company Limited

20. Contingent assets, liabilities and capital commitment

(a) Litigation claims

The Fund was served a number of litigation claims, including claims relating to Member withdrawals and compensation from former employees and post-employment benefit claims. The Board of Directors has reviewed these cases and will take the appropriate course of action to defend them. In the Board's view, none of these claims are expected to result in significant losses to the Fund.

(b) Commitments for Capital Expenditure

Amounts with firm commitments and not reflected in the Financial Statements in relation to investment under construction

	2022 K'000	2021 K'000
Capital Expenditure Commitments	73,000	23,000

(c) Commitments for investment expenditure

The Fund is committed to additional capital contributions for Paradise Foods Limited of K44.8 million.

21. Directors' disclosure

The adoption of IFRS 16 'Leases' have resulted in changes in the Fund's accounting policies, refer to Note 2(a) and 2(q). The effect arising from these changes on the statement of financial position of the Fund are as follow: (See next pages.)

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Notes to and Forming Part of the Financial Statements for the year ended 31 December 2022

21. Directors' disclosure (continued)

Name	Nature of interest	Companies
Reginald Monagi	Director Trustee Director Founding Member Graduate Member President – Honorary Role Member Director	SP Brewery Limited Nambawan Super Limited PNG Institute of Directors Australian Institute of Company Directors PNG/New Zealand Business Council Badili Club Northern Province Resources Limited
Dame Meg Taylor, DBE	Shareholding Shareholder Shareholder Director Advisor Trustee Director Member Member Chairperson	Masi Investment Limited Panorama Gardens Limited Papua New Guinea Coffee Exports PNG Sustainable Development Program Member of the International Advisory Panel-Asia Infrastructure Bank AIIB, Beijing, China Nambawan Super Limited PNG Institute of Directors Australian Institute of Company Directors The Voice Inc.
Karen Gibson	Non-executive Director Non-executive Director Non-executive Director Non-executive Director Non-executive Director Trustee Director Director (established by Letters Patents) Director/Shareholder – Private Company Graduate Member Member	NULIS Nominees (Australia) Limited* OnePath Custodians Pty Ltd* Oasis Fund Management Ltd* IOOF Limited* IOOF Investment Management Limited* Nambawan Super Limited International House (University of Queensland) Praxton Group Pty Ltd Australian Institute of Company Directors PNG Institute of Directors *These companies are all subsidiaries of the one company – Insignia Financial Limited
Alan Kam (tenure ended 9 December 2022)	Chartered Director/Fellow Member Director Independent Director Independent Director Independent Director Director Director Director Director Facilitator/Member Member/Sports Club (Non-Pecuniary) Culinary Society (Non-Pecuniary) Member/Golf Club Member/Sports Club (Non-Pecuniary) Director Director Director Trustee Director	Thailand Institute of Directors Cal-Comp Holdings (Brazil) S.A., Sao Paulo, Brazil Cal-Comp Electronics (Thailand) Public Company Limited, Bangkok, Thailand Mega Life Sciences Public Company Limited, Thailand TATA Steel (Thailand) Public Company Limited Thanakom Vegetable Oil Products Company Limited, Thailand Ticketmelon Company Limited, Thailand Ticketmelon Company Limited, Philippines Ticketmelon Company Limited, Singapore Australian Institute of Company Directors Royal Bangkok Sports Club Confere de La Chaîne des Rotisseurs – Bangkok, Thailand Lakewood Golf Club RBSC Polo Club Suvit Wanglee Foundation Mechai Viravaidya National School Foundation – Thailand Pipatanasin Company Limited – Thailand Nambawan Super Limited

21. Directors' disclosure (continued)

Name	Nature of interest	Companies
Lutz Heim	Director/Chairman (Board) Director/Shareholder	Kumul Hotels Limited – 55% owned by Nambawan Super Limited Arkaba Professional Services PNG Limited (Provides part time consulting for KPMG tax practice - in house only with no client visibility or signing rights of correspondence. Mentoring of senior personnel. At the time of writing KPMG provide services to Nambawan Super Limited in the areas of Internal audit, risk and valuations).
	Director Trustee Director Director/Shareholder Director	First Investment Finance Limited Nambawan Super Limited Yunkimp Pty Ltd Equito Pty Ltd (The above two entities are Australian and associated with an Australian family trust that has no investments in PNG. They hold real estate and do not trade in shares)
	Member Fellow Member Treasurer	CPA PNG CPA Australia Australian Institute of Superannuation Trustees St John's Ambulance of PNG
Richard Sinamoi	Director/Shareholder	Trans Pacific Assurance Limited
	Director/Shareholder	Kama Kofi Limited
	Director/Shareholder	Iomanis Agri Import Export PTE Limited
	Director/Shareholder	PNGPC Limited
	Director	Paradise Foods Limited*
	Director	Paradise Company Limited
	Director	Laga Industries Limited*
	Director/Shareholder	Credit Corporation (PNG) Limited
	Director	Credit Corporation Finance Limited**
	Director	Credit House Limited**
	Director	Credit Corporation Industrial Limited**
	Director	Era Matana Limited**
	Director	Era Dorina Limited**
	*Wholly owned subsidiaries of Paradise Company Limited **Wholly owned subsidiaries of Credit Corporation (PNG) Limited	
	Shareholder Shareholder Trustee Director Member Member	Kina Securities Santos Ltd Nambawan Super Limited PNG Institute of Directors Australian Institute of Company Directors
Michael Uiari	Shareholder/Director	Maudelan Limited
	Chairperson	Tufi Tapa & Tattoo Cultural Festival
	Trustee	Anglican Church of PNG Property Trust
	Chief Executive Officer	NiuPower Limited
	Member	PNG Law Society
	Trustee Director	Nambawan Super Limited
Dr. Thomas Webster, PhD (resigned 13 May 2022)	Director/Shareholder	Chapangeo Investments Limited
	Member	Divine Word University Council
	Member	Member – IBS University Council
	Chair	Board of Kuli St Michaels TVET Centre
	Trustee Director	Nambawan Super Limited

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Notes to and Forming Part of the Financial Statements for the year ended 31 December 2022

21. Directors' disclosure (continued)

Name	Nature of interest	Companies
Prof. David Kavanamur, PhD (tenure ended 25 February 2022)	Acting Managing Director Director/Shareholder Director – NSL Nominee Director – NSL Nominee Shareholder Shareholder Shareholder Shareholder	Kumul Consolidated Holdings Nambawan Super Limited (NSL) Gazelle International Hotel Limited Kumul Hotels Limited BSP Financial Group Limited Credit Corporation (PNG) Limited Oil Search Limited Kina Securities Limited
Dan Siaguru-Khaisir	Fulltime Employee Director Director Professional Member Trustee Director Member	Steamships Limited Jaywan Limited Aerie Holdings Limited Badili Club of PNG Nambawan Super Limited PNG Institute of Directors
Philip Samar	Executive Director Director Director Director Director Trustee Director	K92 Mining Ltd Limited Tabubil Development Corporation Limited Ok Tedi Landowners Royalty Investment Trust Wewak Marine Foods Limited Vanco Investments Limited Nambawan Super Limited

Any directors' fees paid to Directors for being Directors as NSL nominees on certain boards are paid direct to the Directors.

22. Capital Management

The Capital of the Fund is represented by the Members' Funds. The amount of the Members' funds can change significantly depending on the valuation of the assets and liabilities of the Fund.

The Fund's objective in managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide a return to Members and maintain a strong capital base to support the development of the investment activities of the Fund.

The Investment Committee, Directors and Management monitor capital on a regular basis. The Fund is subject to interest credit and reserving requirements of the Bank of Papua New Guinea and *Superannuation (General Provision) Act 2000*.

23. Comparatives

There was no change in comparatives in this financial year that would require a restatement of the Statement of Comprehensive Income, Statement of Changes in Net Assets available for Benefits or Statement of Net Assets Available for Benefits.



For more information visit your nearest Member Service Centre, or contact us.

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