



Kina Securities Limited

TIP GROUP'S INAUGURAL CONFERENCE

Ivan Vidovich – CEO & Managing Director
Johnson Kalo – Chief Financial Officer

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Kina Bank – Overview.

Kina Securities Limited (Kina Bank) was established in 1985 and is now Papua New Guinea's second largest bank and financial services company.

Kina Bank offers customers end-to-end financial solutions – from savings accounts to business loans, investments to mortgages, financial advice and investment management.

50% of revenues come from lending and 50% from non-banking services.

Kina Bank is listed on the Australian Securities Exchange (ASX:KSL) and the Port Moresby Stock Exchange (PNGX:KSL)



PNG Economy.

Fast-growing economy

- A\$55b GDP forecast in 2025

Strategic economic location

- South-east Asia to the North, Indonesia to the East and Australia to the South

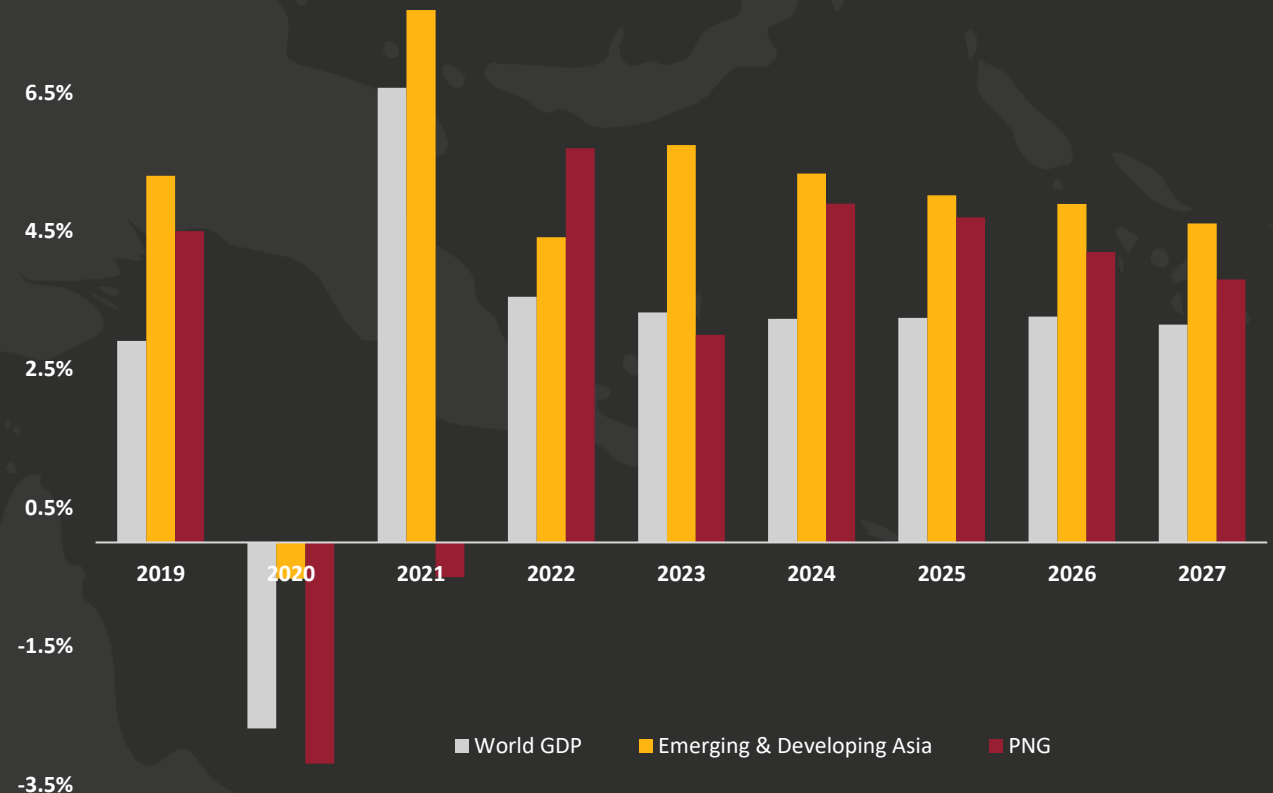
Non-Resource sector dominated by coffee, cocoa, palm oil and fisheries (15% - 20% of GDP)

Young population **12million**






- Over 60% is working age (15 – 64 years) with median age of 21 years
- Growing consumer demand - wholesale/retail industries

1/3 of economy is the **Resources sector** (LNG, Oil, Gold) developed by major global resource companies

Economic recovery post-COVID has been steady



Resource Project Pipeline.

Project Name	Shareholders	Total Capex	Annual Output (million tonnes LNG)	Construction Start	Production Start
Papua LNG	 	US\$15 billion	5.6	2026	2030
Pasca A		US\$ 2 billion	0.75	2026	2028/31
P'nyang LNG	 	US\$ 11 billion	2.7	2030	2034

Economic growth underpinned by solid foundations.

1.

Generally political stability

Stable political leadership

- 3 Prime Ministers since 2000

Deep linkages with Australian economy

- Strong institutional linkages to Australian Gov't

Australia is the country's largest trading partner

- Bilateral trade over A\$5billion

Business Linkages

- Over 4,000 Australian companies export to PNG (ABS)

Economic growth underpinned by solid foundations.

2.

Sound, well-regulated financial/banking system

Independent Central Bank

- “performance of (PNG) financial institutions as captured by the financial soundness indicators is good” (IMF 2024)

Financial sector assets ~ 70% of total GDP

- +3 Commercial Bank licensees in past 12 months

Maturing Superannuation sector

- Well-developed governance frameworks with **compulsory super** for formal employment driving long-term asset prices growth

Capital markets development

- PNG companies leading way in the Pacific: ASX-listing

Strategy.

Vision.

Our Vision is to be the most dynamic, progressive and accessible financial services organisation in the Pan Pacific region.

Purpose.

Our defining purpose is to constantly improve the prosperity of the people, communities, and markets that we serve.

Our Strategy.

Prosperity for our communities is Kina’s DNA. Serving our communities, supporting the growth of Papua New Guinea and continually developing innovative customer-led solutions is at the core of our organisation.

Priorities.



GROWTH & PROSPERITY



BUILDING RESILIENCE



SERVICE EXCELLENCE



DYNAMIC PEOPLE



SUSTAINABLE COMMUNITIES

Our Values.

F. I. R. S. T.



Fairness.

Guides equity and justice, ensuring opportunities for all to thrive.



Inspire.

Sparks creativity, fuels perseverance, drives change and touches hearts.



Responsive.

Fosters trust and satisfaction by addressing peoples’ needs promptly and effectively.



Serve.

Embodies empathy, compassion, kindness and enriching our customers’ lives.



Together.

Is a team who entrust each other.

Kina Bank snapshot (FY2024).

281,099
Total Customers

13%
Customer
growth YoY

18
Number of
branches

27%
Digital revenue
growth YoY



68%
FX revenue
growth YoY

17%
Market share
lending

14%
Market share
deposits

736
Number of staff

A diversified financial services company.

Personal

- Savings accounts
- Transaction accounts
- Online banking
- Mobile banking
- Lending

Digitally Enabled
Middle Class

SME

- Transaction accounts
- Lending
- Digital banking
- EFTPOS
- IPG
- Xero Bank Feeds

SME

Private Bank

- Advisor services
- Stockbroking
- Specialised banking products

High net worth individuals

Corporate

- Treasury services
- Foreign currency notes
- Telegraphic transfers
- Kina wealth management

Corporate sector



KISS/KFM

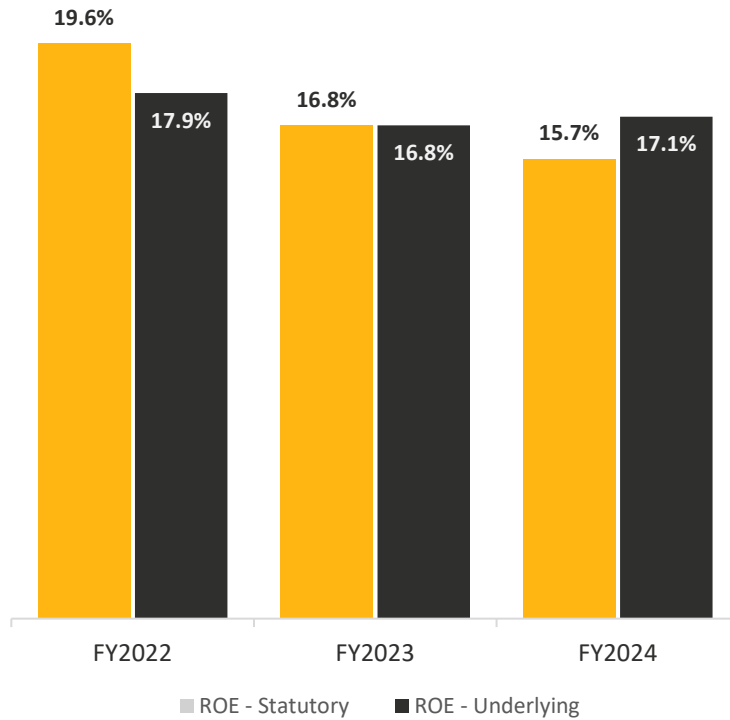
- Superannuation + Investment fund administration (KISS)
- Market + Investment Analysis (KFM)

PNG Super Funds

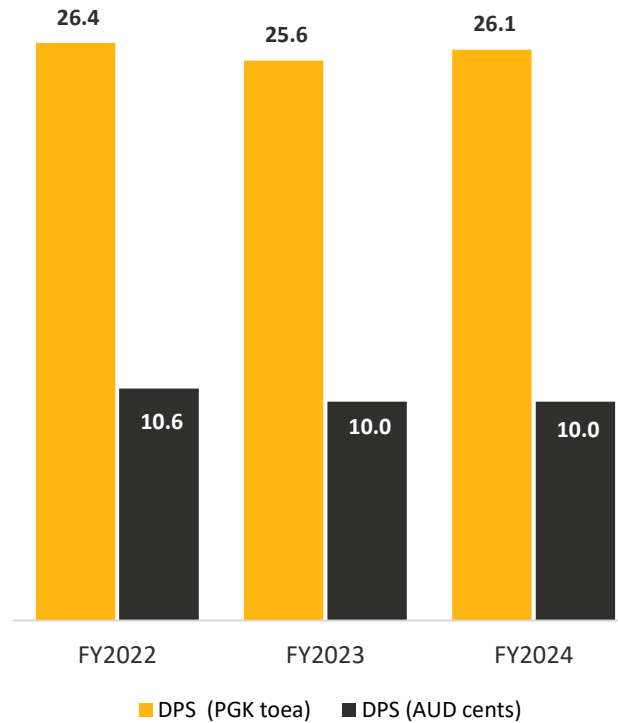
31%
Digitally enabled
customers

Shareholder return.

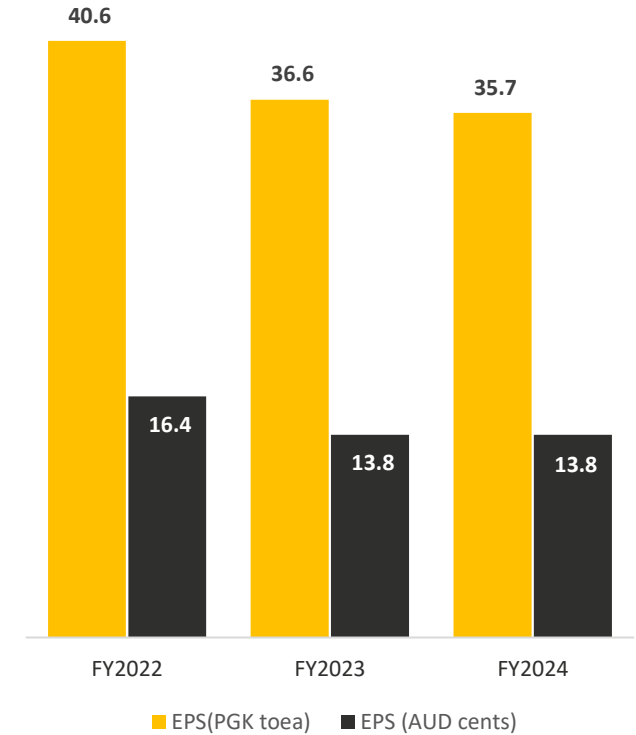
Return on Equity



Dividend per share



Statutory Earnings per Share



Financial Highlights.

	FY2024	FY2023	Movement %	
Net Interest Income (PGK m)	222.2	203.3	9%	●
Revenue (PGK m)	488.8	404.2	21%	●
Net Profit before Tax (PGK m)	184.1	175.5	5%	●
Underlying NPAT (PGK m)	111.9	105.0	7%	●
Statutory NPAT (PGK m)	102.5	105.0	(2%)	●
Cost to income ratio (%)	58.6	54.2	8%	●
Underlying ROE (%)	17.1	16.8	2%	●
Ordinary Dividend (AUD cents)	10.0	10.0	-	●
Total Capital Ratio (T1 + T2) (%)	18.4	20.0	(8%)	●

Profitable, sustainable growth FY24.

Organic growth momentum

- NPBT up 5%
- Underlying NPAT up 7%
- Lending up 13%
- Net Interest Income up 9%

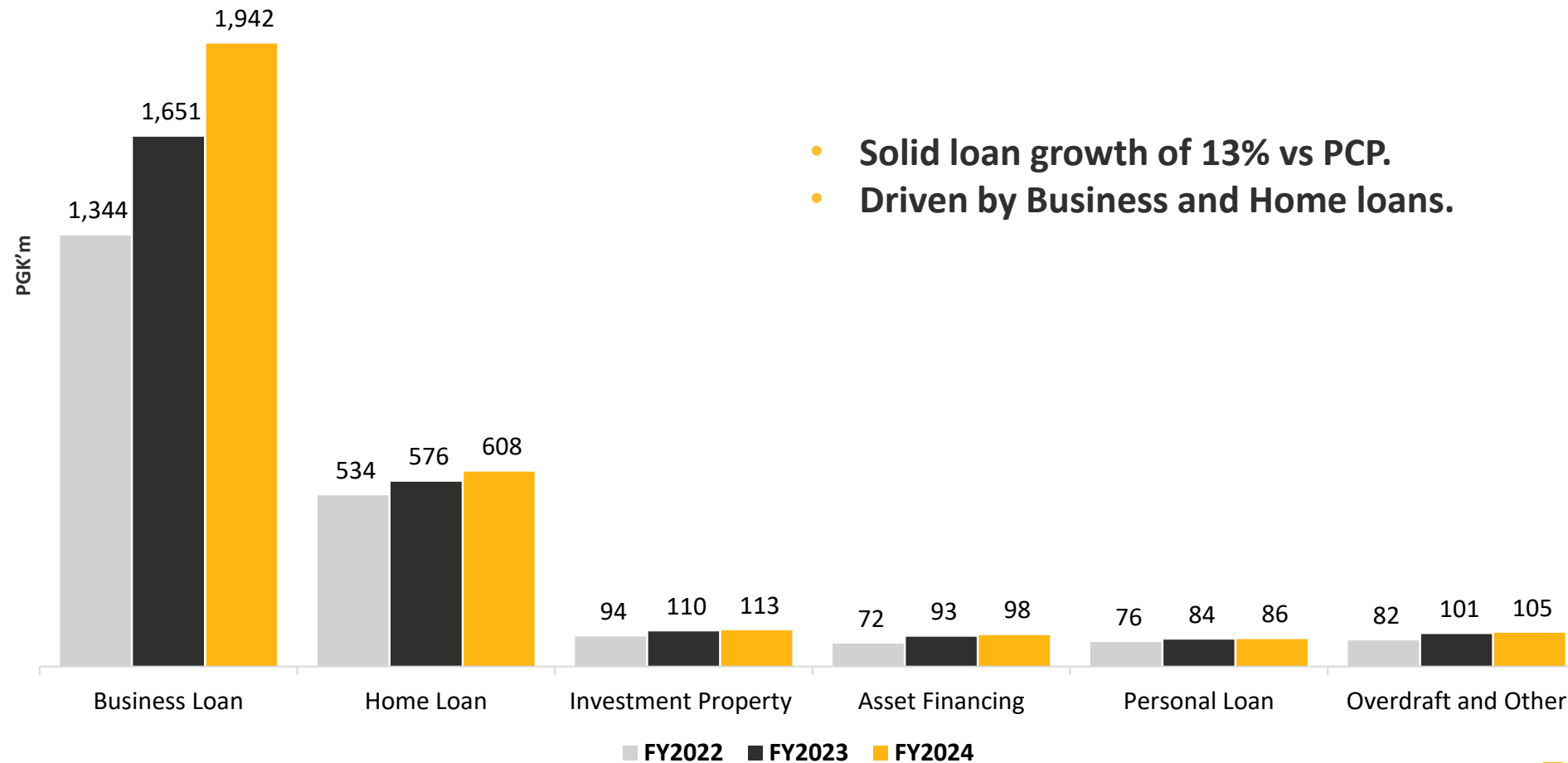
Non Interest Income

- FX Income up 68%
- Digital Channels up 27%
- Wealth Management Income up 28%

Shareholder returns

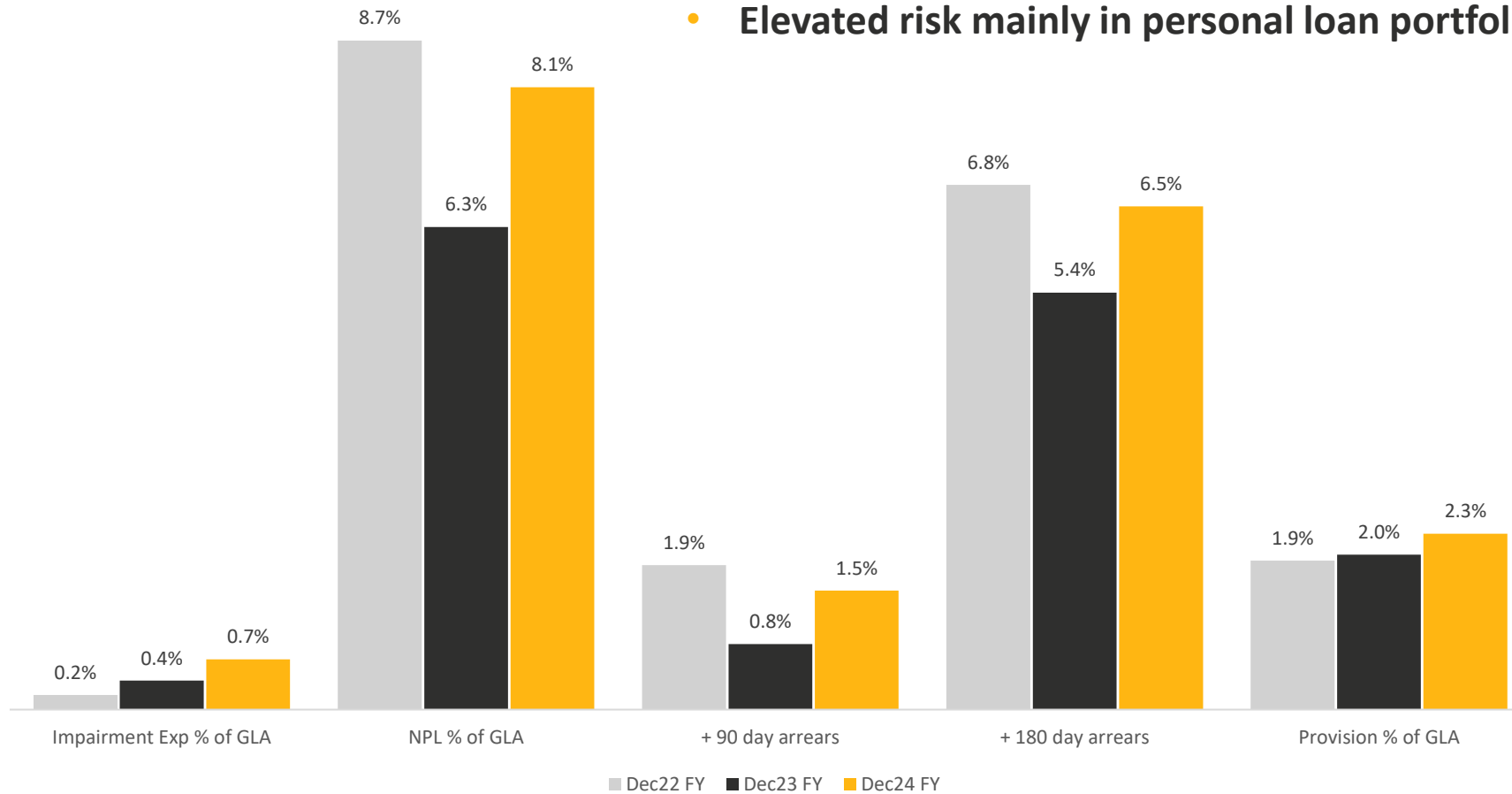
- Full year dividend per share of 10.0 cents (AUD), unchanged year on year

Loan growth of 13%.



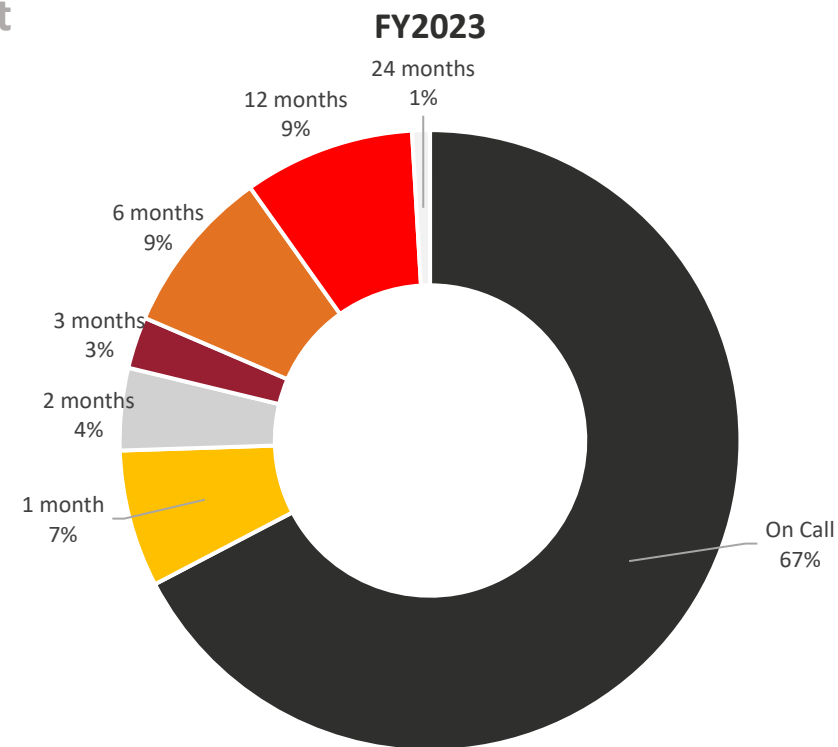
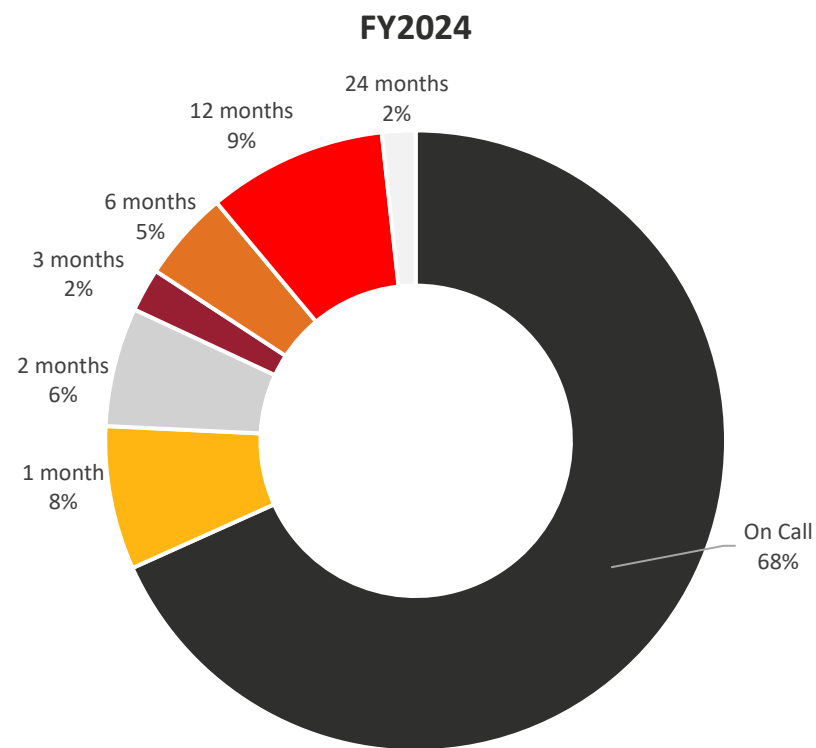
Asset Quality.

- Overall portfolio quality remains solid.
- Elevated risk mainly in personal loan portfolio.



Deposit tenure.

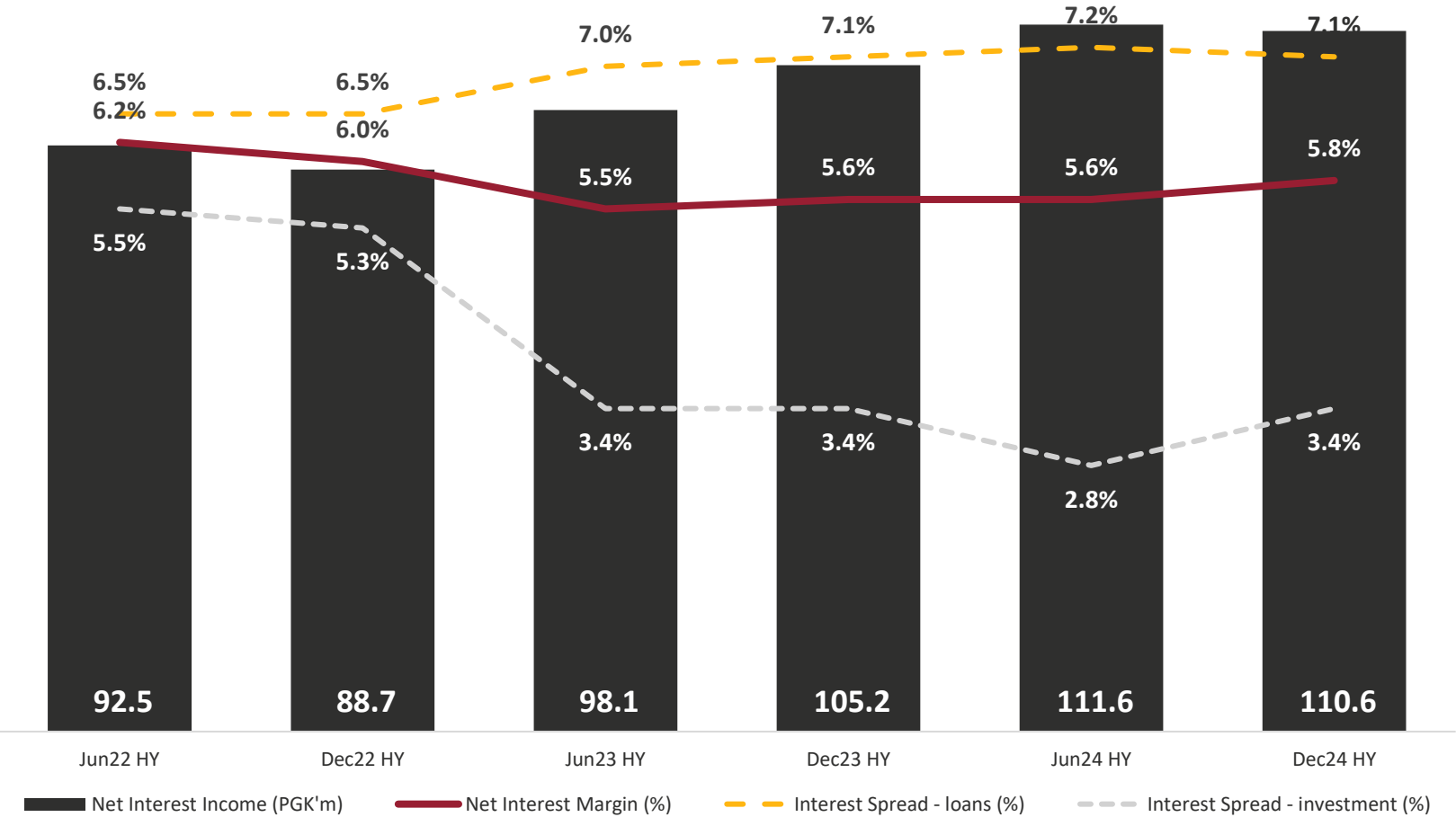
Year on year, deposit profile stability.



■ On Call ■ 1 month ■ 2 months ■ 3 months ■ 6 months ■ 12 months ■ 24 months

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Net Interest Margin.



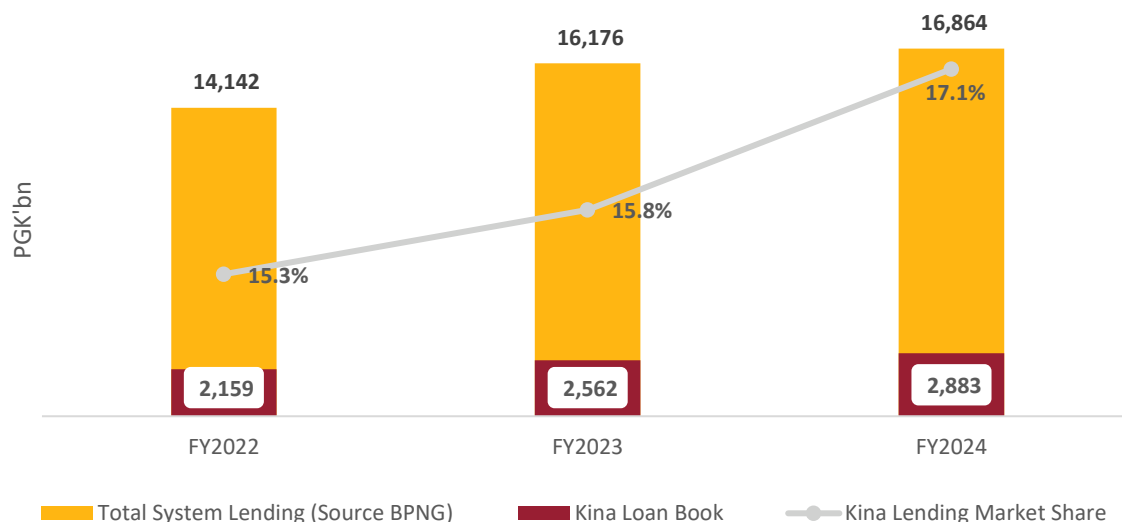
NIM impacted by:

- Gradual lift in the 2H on treasury bill yield rates.
- Solid growth in commercial and home lending
- Stable growth in corporate wholesale deposits

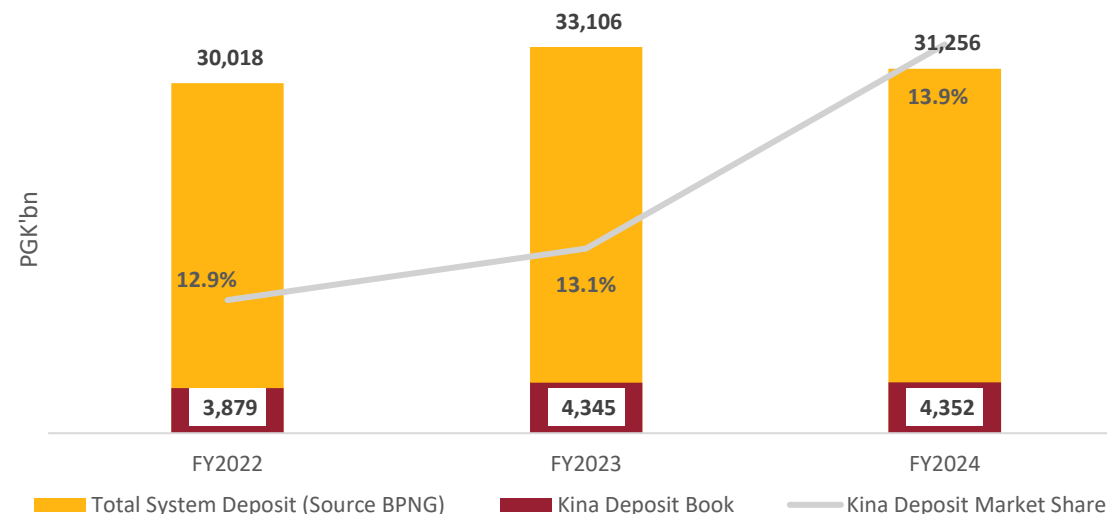
Market share gains.

Capitalising on opportunities for deposit and lending market share growth in PNG.

Market share percentage - lending



Market share percentage - deposits



Corporate Tax.

- In December of 2024, the PNG Government announced a gradual decrease in Corporate Income Tax on Commercial Banks from 45% to 40% for 2025 and 35% for the 2026 fiscal year.
- The decrease in rate was effective as of 1 January 2025.
- KSL's deferred taxes at December 2024 were revalued at the new rate in line with IFRS resulting in an increase in tax expense of K9.4m in 2024 statutory NPAT.

	2022	2023	2024	2025	2026
Standard rate	30%	30%	30%	30%	30%
Small banks	30%	45%	45%	40%	35%
KSL blend*	30%	42%	42%	39%	33%
Big banks**	30%	45%	45%	44%	43%

**Blended tax rate: after consolidating the tax rate for non-bank entities, KFM and KISS, which are taxed at standard rate of 30%*

*** Big banks: banks with annual earnings above PGK300m*



Thank you