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ASX Markets Announcement Office
Exchange Centre
20 Bridge Street
Sydney NSW 2000

BY ELECTRONIC LODGEMENT

2020 Annual General Meeting Chairman's and MD & CEO's Presentations

Please find attached for release to the market, the Chairman's and MD & CEO's Presentations for Kina Securities Limited's 2020 Annual General Meeting to be held at 8:00am this morning

-ENDS-

This Presentation was authorised for release by Kina Securities Limited's Board of Directors

For further information:

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CHAIRMAN'S ADDRESS

Before turning the meeting over to Greg Pawson to give us a short update on the Company's activities, I'd like to make a few comments.

2019 will perhaps be recognised as one of the most significant years in Kina's history. We successfully completed three milestones that fundamentally changed the shape and scale of the business and that set us up for long term sustainable growth.

We also delivered a strong financial performance that exceeded market expectation. The result is a final dividend of AUD6.4 cents per share or PGK15.5 toea and a full year dividend of ADU10.4 cents or PGK 25.5 toea per share. We delivered our result despite a complex business environment where foreign exchange was in tight supply and economic activity low.

Our first major milestone was the completion of the ANZ acquisition in September. We successfully integrated ANZ PNG's Retail, SME and Commercial business on time and materially under budget. The acquisition makes us the second largest retail bank in the country with a national footprint across 21 locations and more than 165,000 customers.

The complex program took 18 months of planning and delivery with a capex spend in excess of PGK55.0 million. It was one of the country's largest M&A transactions for some years. The acquisition has enhanced our liquidity to support future lending growth and it will increase our earnings and profitability.

Our second major milestone came in August when we announced our strategic partnership with MiBank to provide financial inclusion. Together, our focus will be on building the micro, small and medium enterprise sector. The partnership includes a mutual referral agreement for SME customers that will provide a smooth pathway for customers between our businesses, depending on their lending requirements. Substantial progress has already been made with regards to the build of digital technology for this.

Thirdly, in November we welcomed the Asian Development Bank as our second largest shareholder. Their USD10 million investment strengthens our international correspondent banking relationships and, as a triple-A rated partner, improves our access to the PNG export sector. We are working together to grow our SME and retail presence and support the continued build of our digital capabilities.

We reported a Net Profit After Tax of PGK60.9 million – up 27% on the previous corresponding period, and it exceeded market expectations. The results were driven by a 31% increase in Net Interest Income to PGK 114.6 million; solid growth in the existing loan book; and the addition of the acquired ANZ PNG loan book. FX income was up 23% and we saw an increase in overall market share. Our Funds Management and Funds Administration businesses also recorded growth in profit.

ASX/PNGX announcement

Under the leadership of Greg Pawson, our Managing Director and Chief Executive Officer and, we appointed three new members of the executive leadership team and strengthened our business model. This ensured we were prepared for the ANZ acquisition and that our existing business continued to grow.

I would like to thank my fellow Directors for their expertise, governance and vision. They have brought a significant range of experience and insight to the business.

And on behalf of the board, I would like to thank our customers, community and shareholders for your continued support. I will now hand over to Greg.

MD & CEO'S PRESENTATION

Thank you Keli and good morning everyone.

I am delighted to present our 2019 Annual Report that shows growth above market expectation as well as the successful delivery of several key milestones. But before I begin I would like to introduce the Executive Management team who join us from Port Moresby and online today:

Chetan Chopra - Chief Financial Officer and Company Secretary

Michael van Dorssen - Chief Risk Officer

Adam Downie - Executive General Manager, Personal Banking

Deepak Gupta - Executive General Manager, Business Partners and Wealth

Ivan Vidovich – Chief Transformation Officer

Johnson Kalo - Chief Operating Officer

Nathan Wingti - Head of Treasury

Gavin Heard - Group Manager Corporate Affairs and Investor Relations

In September, we completed the acquisition of ANZ PNG's Retail, Commercial and SME business materially under budget and on time. Our results reflect three months of income from the ANZ business. Total Loans grew by 65% to PGK1.4 billion. Total deposits grew by 87% to PGK2.46 billion.

Existing customer numbers grew by 17% - and with the acquisition, our total customer base is now over 165,000. A significant amount of preparation was put in place to ensure the transfer of business from ANZ to Kina was as seamless as possible and we experienced no customer loss as a result. Through Kina Investment and Superannuation Services and our partnership with MiBank – we now reach over 1.2 million Papua New Guineans.

Throughout 2019 we delivered a series of firsts as market leaders.

- We were the first to connect to the central bank's national payments system, giving us the ability to accept full interchange with all PNG domestic banks.
- In March, we launched PNG's lowest ever standard variable home loan
- And later in the year, we launched PNG's first ever fixed rate home loan.

Our focus to maintain growth across our existing business while achieving the complex and transformative acquisition has delivered a solid result.

We continued to grow our core business and our existing loan book net of the ANZ acquisition grew by 26% against FY2018. Overall, home lending saw a 44% increase and to support our market leading products, we redeveloped our home loans approval process. By making it digital, we are able to offer faster credit decisions and a simpler, more convenient customer experience.

We also delivered a series of enhancements, building our capability, banking infrastructure and portfolio of products and services. We rolled out an eftpos network with the fastest, most sophisticated terminal of choice on the market; launched a Visa Credit and Debit card platform; improved our digital retail and corporate banking platforms; and introduced USSD mobile banking.

The acquisition was also good news for the PNG job market. We brought back to PNG more than 80 jobs that were performed off shore by ANZ in the cards and operations teas. I am also pleased to report that we achieved a 96% transfer rate of ANZ impacted staff who accepted contracts with Kina Bank.

Our staff have always been proud of our brand and when we integrated the new ANZ PNG business into Kina Bank it was vital we maintained this energy and commitment. With the new appointments to the Executive Committee, we continue a major culture change program to embed our values and behaviours. We've been holding an extensive series of workshops, bringing together all staff, with accompanying training programs on our products, services and customer experience.

Looking ahead, our focus for 2020 is to continue to build out our base. By combining the best service and technology we aim to deliver an exceptional banking experience for our customers. Simplicity, convenience and ease of access are the key themes we are building into our service proposition.

Since the end of our financial year, Covid-19 has triggered a significant fall in equity markets and some commodity markets globally – with oil being the prime impacted commodity. The likelihood of an economic downturn in PNG is probable and it is going to be a challenging time for the global economy. However, our outlook for the business remains positive. We are not seeing any signs of undue stress on our loan portfolio and we are not significantly exposed to those sectors that have been impacted by Covid-19. We remain positive that we will navigate our way through these uncertain times relatively successfully.

I will now hand back to the Chairman.