

14 October 2024

## ASX/PNGX | Announcement

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Sydney NSW 2000  
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PNGX Markets  
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Port Moresby 121  
Papua New Guinea

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### BY ELECTRONIC LODGEMENT

## Investor Presentation Notice

Kina Securities Limited (ASX:KSL | PNGX:KSL) (Kina) is pleased to announce that it will be featured in a webinar hosted by Smartkarma on Tuesday 15 October 2024.

#### Event Details:

- **Date:** Tuesday 15 October 2024
- **Time:** 5:00pm SGT / 8:00pm AEST
- **Speakers:** Mr Greg Pawson (Managing Director & CEO), Mr Johnson Kalo (CFO & Company Secretary) and Mr Deepak Gupta (EGM Wealth & Corporate Advisory)
- **Registration Link:** [Smartkarma Webinar](#)

**How to Register:** Participants can register for the webinar by visiting the link provided above. After registering, participants will receive a confirmation email with details on how to join the webinar.

*For further information:*

**Johnson Kalo**  
CFO and Company Secretary  
Email: [Johnson.Kalo@kinabank.com.pg](mailto:Johnson.Kalo@kinabank.com.pg)



**Kina Securities Limited**

***Presentation to clients of Smartkarma***

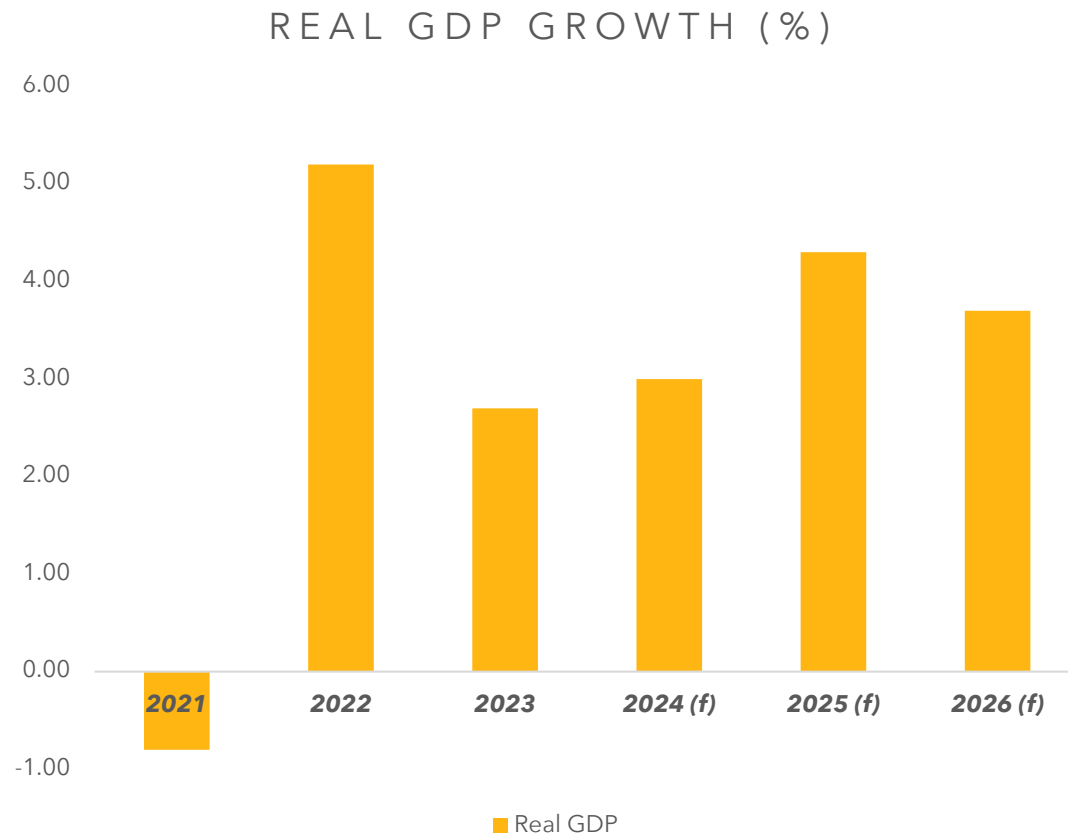
Greg Pawson - Managing Director & CEO

Johnson Kalo - Chief Financial Officer

Deepak Gupta - Executive General Manager Wealth Management & Corporate Advisory

15 October 2024

# Macro Update.



Source: 2024 National Budget; Bank of PNG (2024 March Monetary Policy Statement)

## **Macro growth stable in medium-term**

- Real GDP growth for this year is forecasted at 3%, from 2.7% in 2023.
- Mining sector growth with Porgera Mine resuming and spill over effects into non-resource sector.

**Retail/Wholesale sector** has been driving activity over the past 3 years: consumer demand still relatively strong.

**Inflation** averaging 4.3% (last 3 years), with forecast of 5% this year with imported inflation pressures. Being managed through careful Central Bank intervention.

## **Interest Rates have been trending up with tightening monetary policy**

Central Bank currently in a monetary tightening cycle to manage inflation pressures. Higher yields in 2024 for Government Securities.

## **FX situation has improved**

Competitive exchange rate with more export flows starting to clear out backlog of import orders. Waiting times have dramatically fallen, now with capital investment flows supported by the Central Bank.

# Major Resource Project Update

Medium term outlook post-2026 is still very bullish on PNG economy with major capital projects totalling nearly \$30billion over 8-10 years of construction.

<b>Project</b>	<b>US\$ billion</b>	<b>Start Date</b>
Papua LNG (Total)	10.00	2026
P'nyang LNG (ExxonMobil)	12.00	2027
Wafi-Golpu (Newmont/Harmony)	5.40	2028

# ***Kina Bank's Vision.***

To be the most dynamic, progressive and accessible financial services company in the Pan Pacific.

"PNG's leading digital bank."

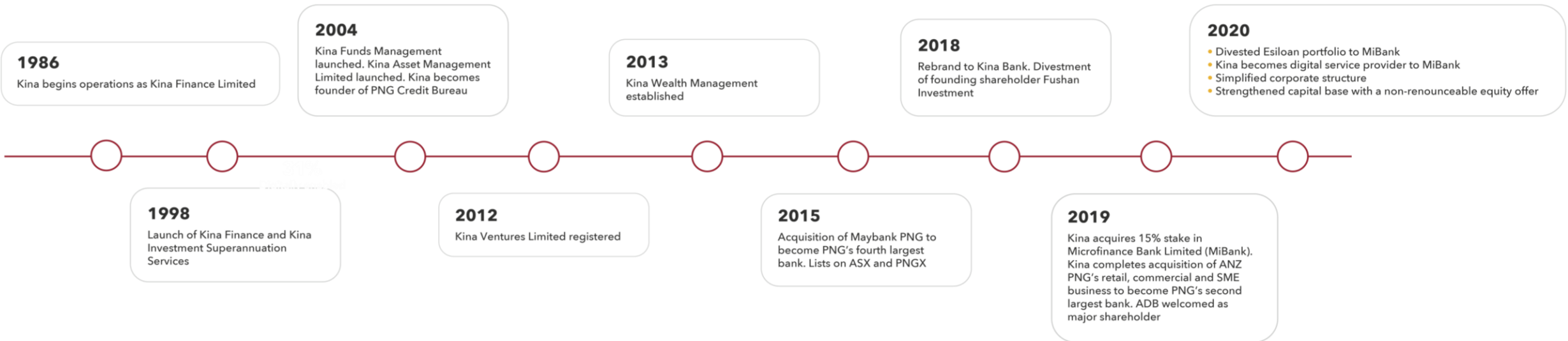


# ***Kina Bank - Overview.***

- Kina Securities Limited (Kina Bank) was established in 1985 and is 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 PNG's Stock Exchange (PNGX:KSL).



# Key milestone.



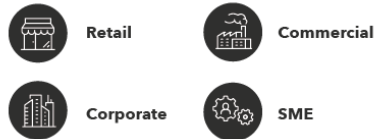


# From a Bank to a Market Maker.

## 2020-21

Your trusted bank

- + Traditional banking
- + Digital banking



Superannuation Partners



Banking Partners

### Sell, service, grow, digitise

- Grow banking market share
- Digitise core business
- Digital customer solutions
- Test and learn partnerships and innovative business models

## 2022-24

Your trusted financial services partner

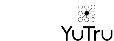
- + Traditional banking
- + Digital banking
- + Investment Banking Bank Services
- + Partnership Platform



Superannuation Partners



Banking Partners



InfrastructurePartner  
API enabled



Digital Partners

### Partnering to create and capture value (B2B, B2C)

- Maturing technology and infrastructure
- Maturing partnerships capability
- Targeted acquisitions
- Selectively scale new business models

## 2025

Your trusted partner in the Pan Pacific Region

- + Pan Pacific diversified investment bank



Markets



Kina Bank Modules and Partners



Digital Partners

InfrastructurePartner  
API enabled

### Convene a marketplace of assets, capabilities and services (B2B, B2C)

- Geographical reach; digital-only bank
- Bank as a service - B2B
- Customer and partnership marketplace
- Diversified investment bank



# Overview.

## **Organic growth momentum**

- Gross revenue up 17%
- Underlying NPAT up 7%
- Statutory NPAT down 9%, materially impacted by fraud loss provision of PGK13.5m (pre -tax) and PGK7.4m (post-tax)
- Deposit up 8%, Lending up 12% vs June 2023

## **Diversified Revenue growth**

- Interest on loans up 16%
- Digital revenue up 35%
- FX revenue up 71%

## **Shareholder returns**

- Statutory RoE of 13.2%
- Underlying RoE of 15.6%
- Earning per Share 5.5 cents and Dividend per Share 4.0 cents

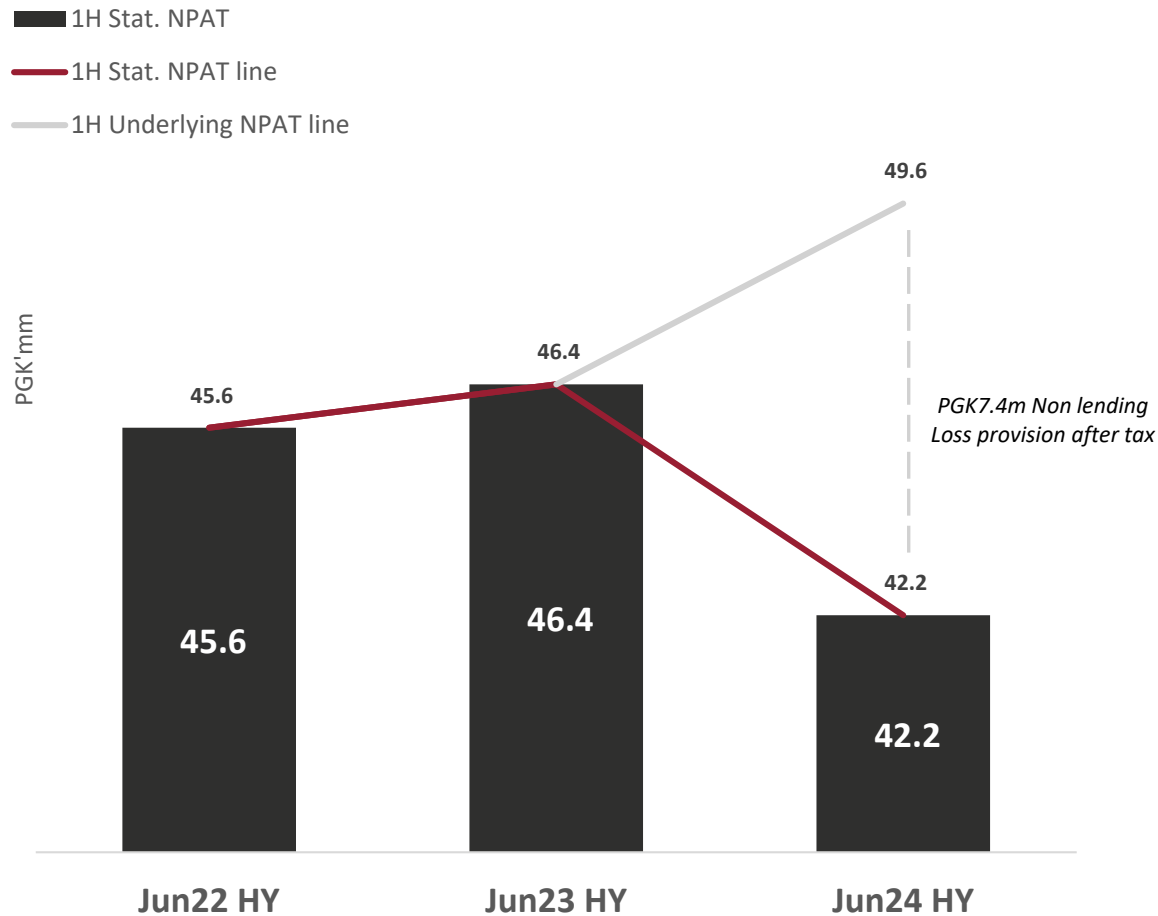


# Financial Highlights.

## 2024 Half Year Results

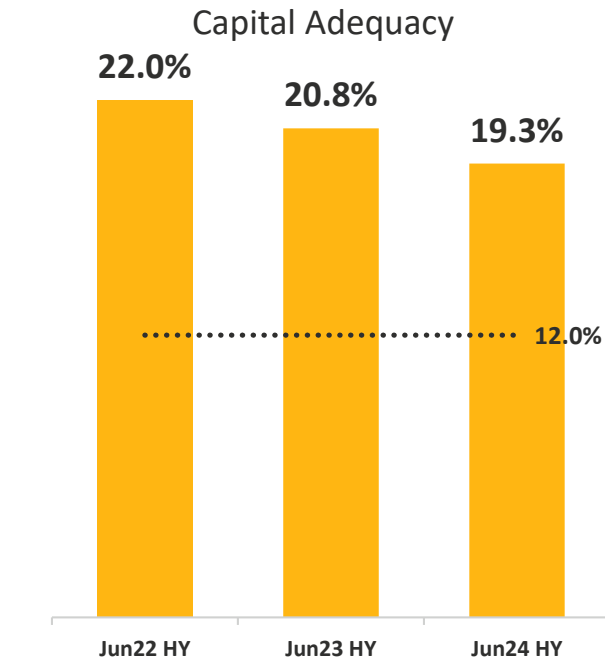
	<i>Jun-24</i>	<i>Jun-23</i>	<i>Movement</i>
Net Interest Income (PGK m)	111.6	98.1	14% ↑
Foreign Exchange Income (PGK m)	37.0	21.6	71% ↑
Underlying Cost to Income (%)	58.9	56.2	(270bps) ↓
Underlying Return on Equity (%)	15.6	15.2	40bps ↑
Ordinary Dividend (AUD cents)	4.0	4.0	-
Total Capital Ratio (T1 + T2) (%)	19.3	20.8	(150bps) ↓

# 1H NPAT impacted by one-off expense.

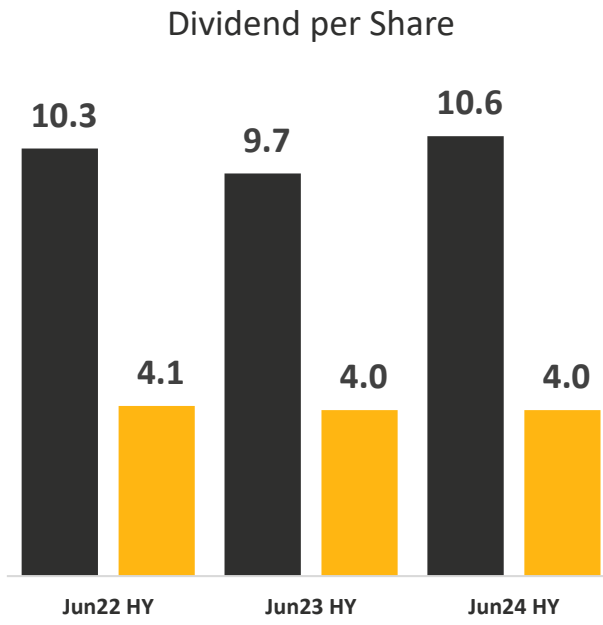


- Statutory NPAT declined by 9% YoY to PGK42.2m, impacted by non-lending loss provision of PGK7.4m after tax.
- Commercial loans and foreign exchange income driving core business performance.
- Digital channel continues to boost fees and commissions income.
- Less capital intensive lines of business contributing close to 50% of income.

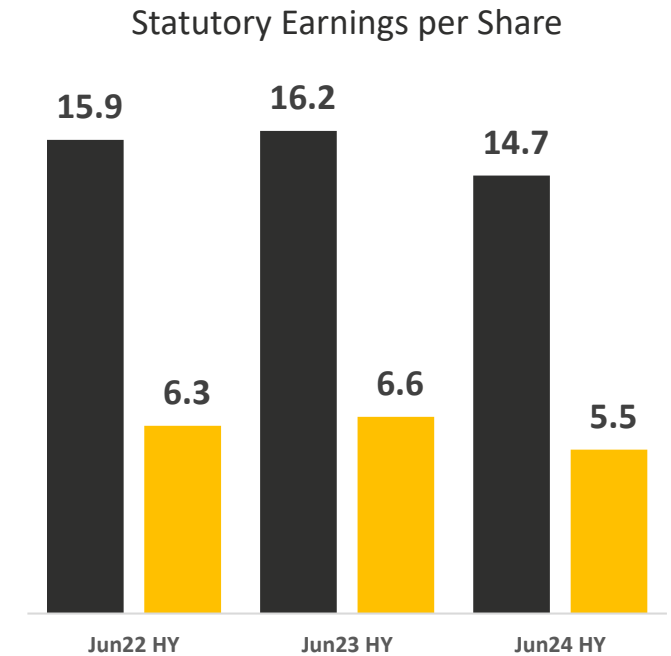
# Shareholder Return.



■ Capital Adequacy: T1 + T2  
 ..... BPNG minimum total risk based capital

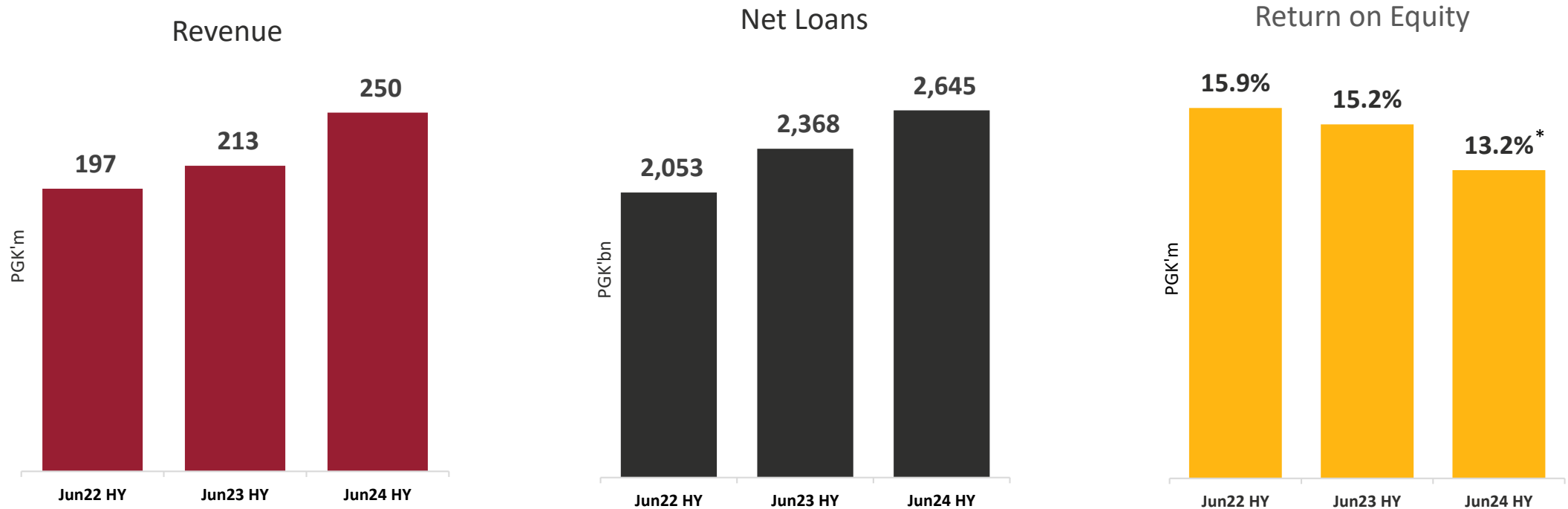


■ DPS (PGK toea) ■ DPS (AUD cents)



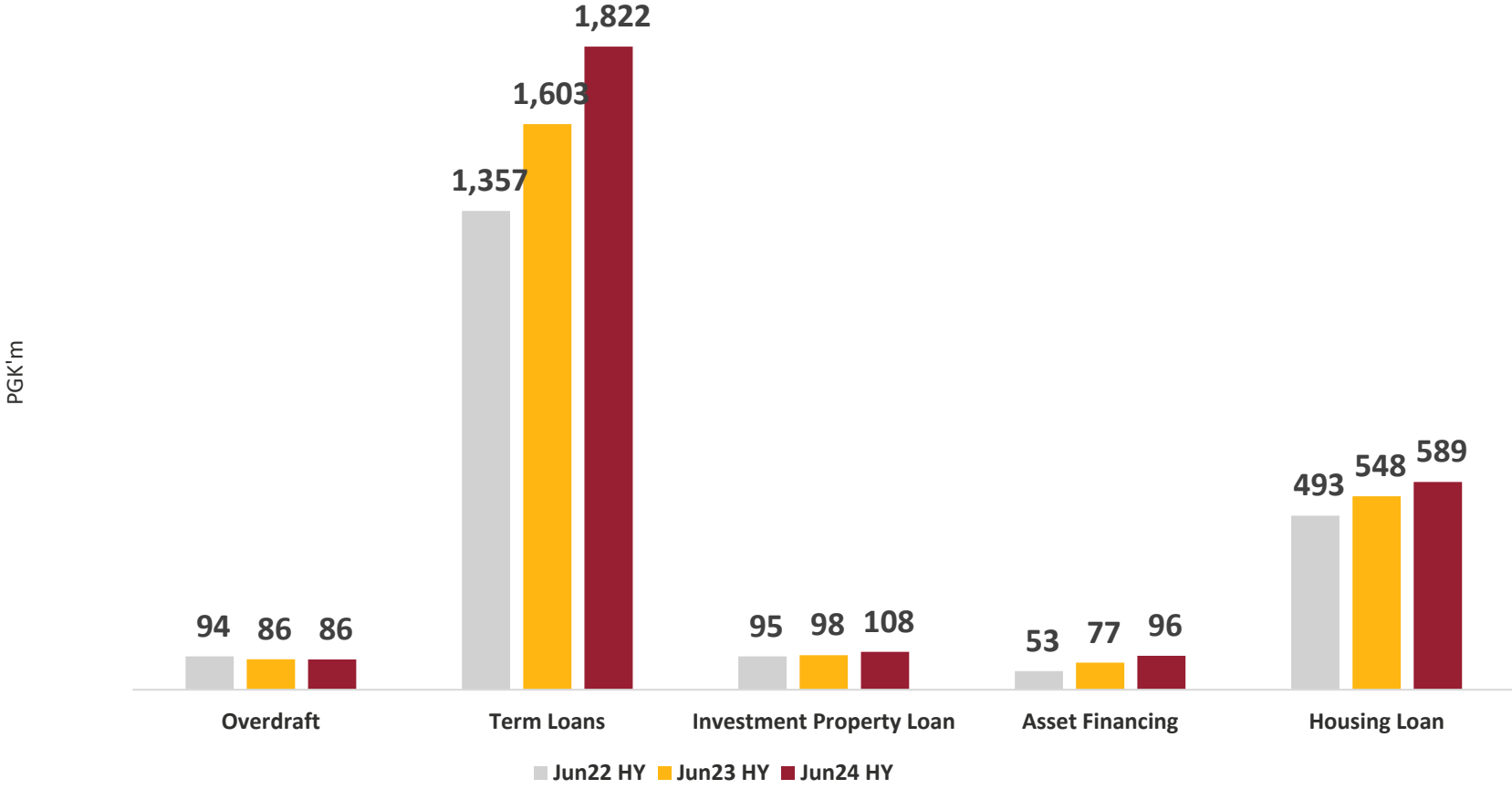
■ EPS (PGK toea) ■ EPS (AUD cents)

# Solid Revenue and Loan Growth in 1H.

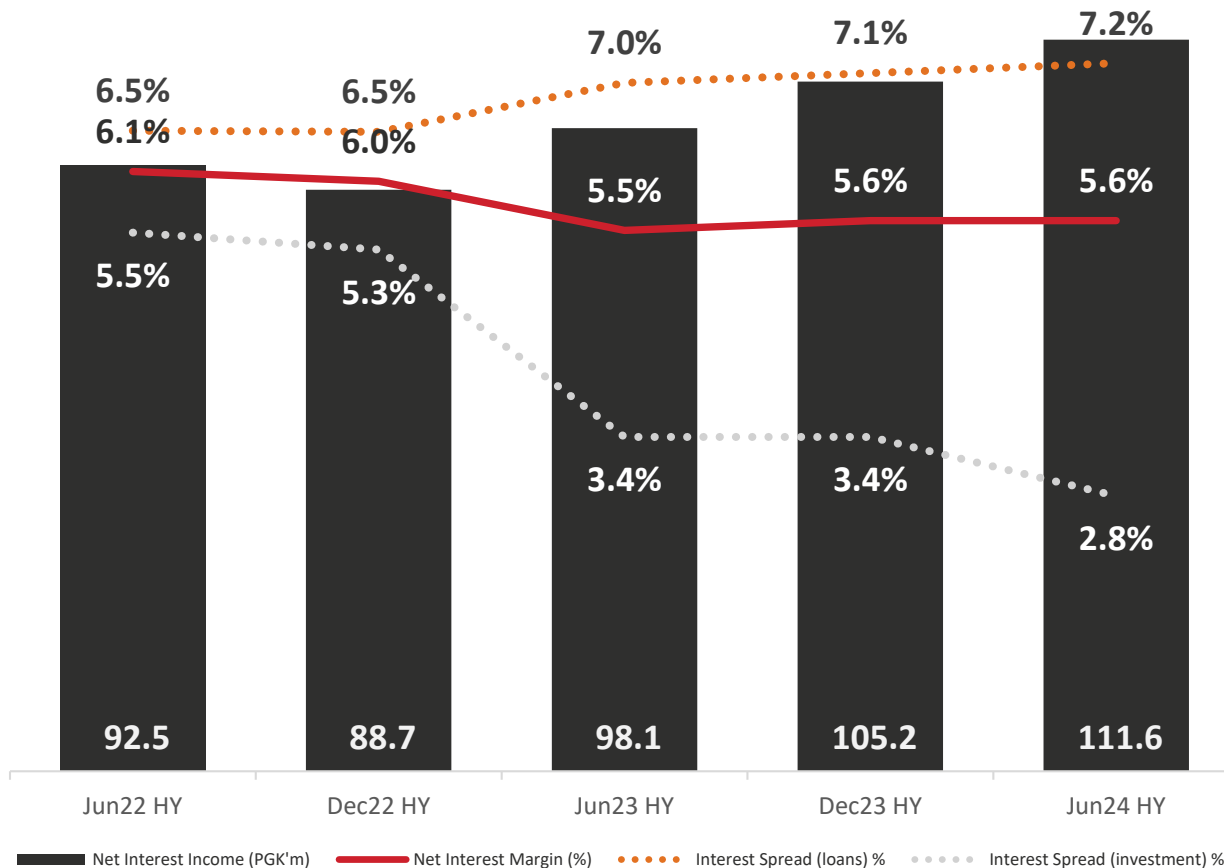


\* Underlying ROE would have been 15.6%

# Loan portfolio growth.



# Net Interest Margin.

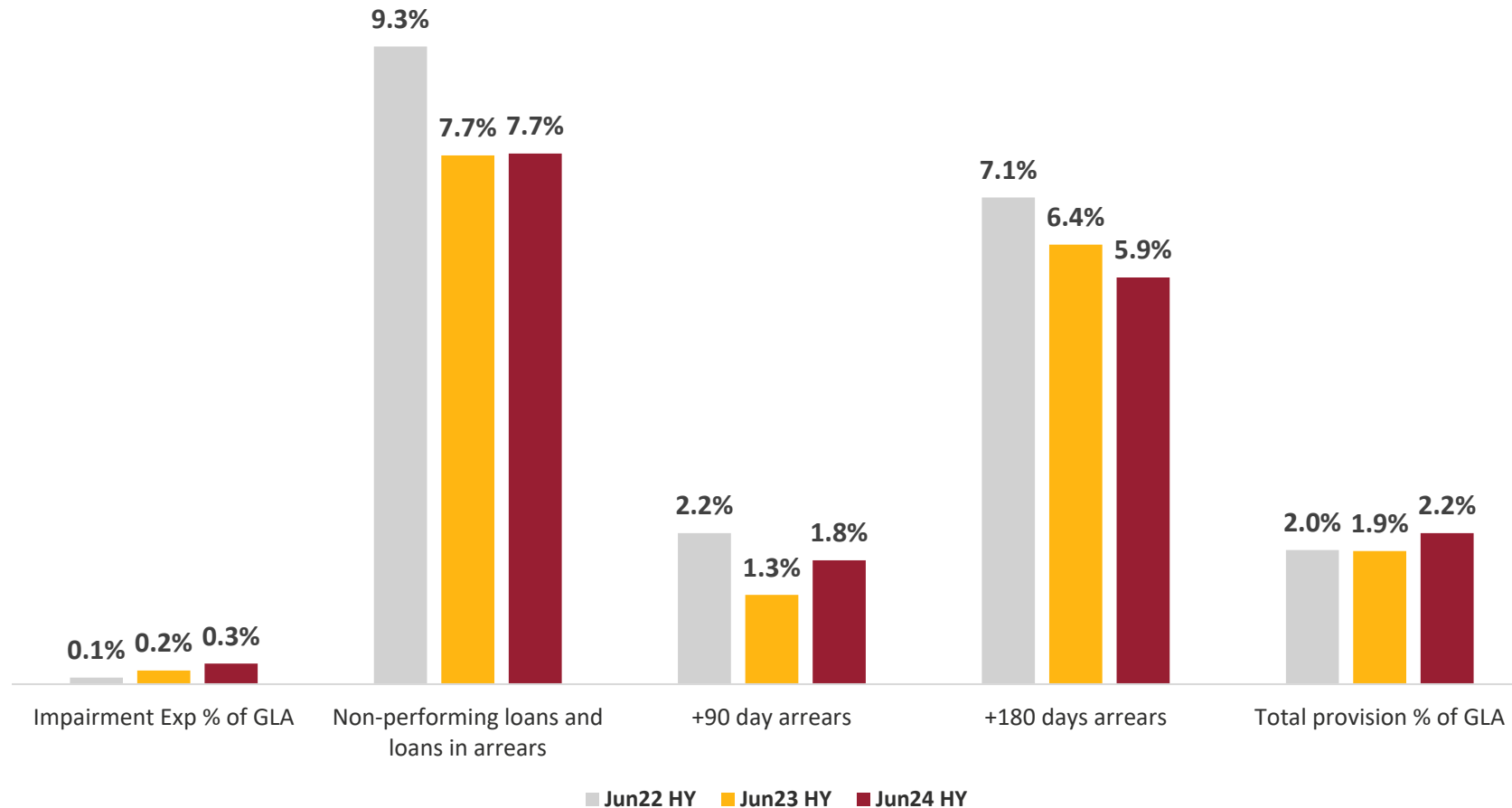


- **NIM movement impacted by:**

- Solid growth in commercial lending continues to hold NIM at 5.6%
- Lower yields on central bank and treasury bills.
- Growth in corporate wholesale deposits with link to FX flow.

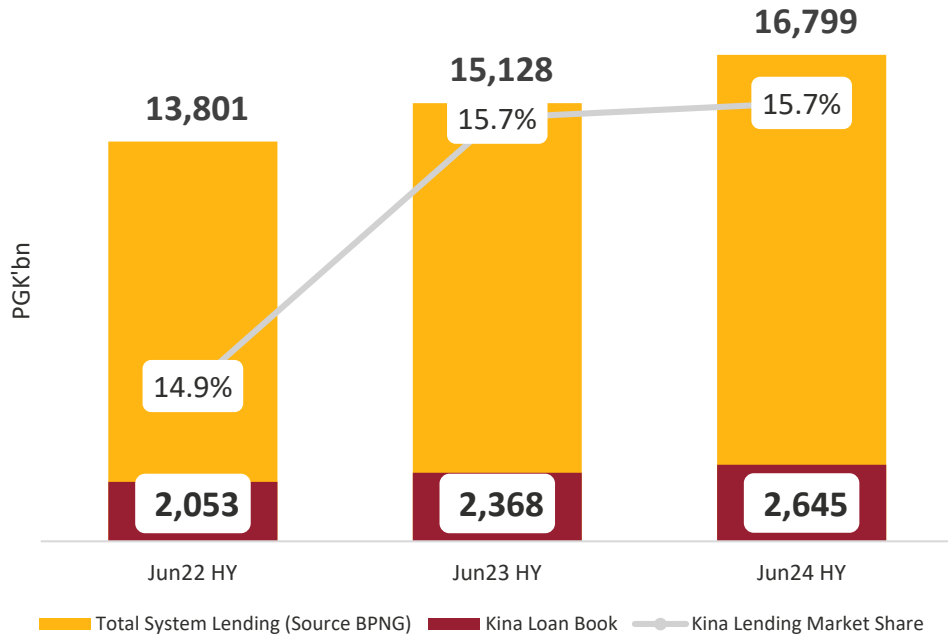


# Asset Quality.

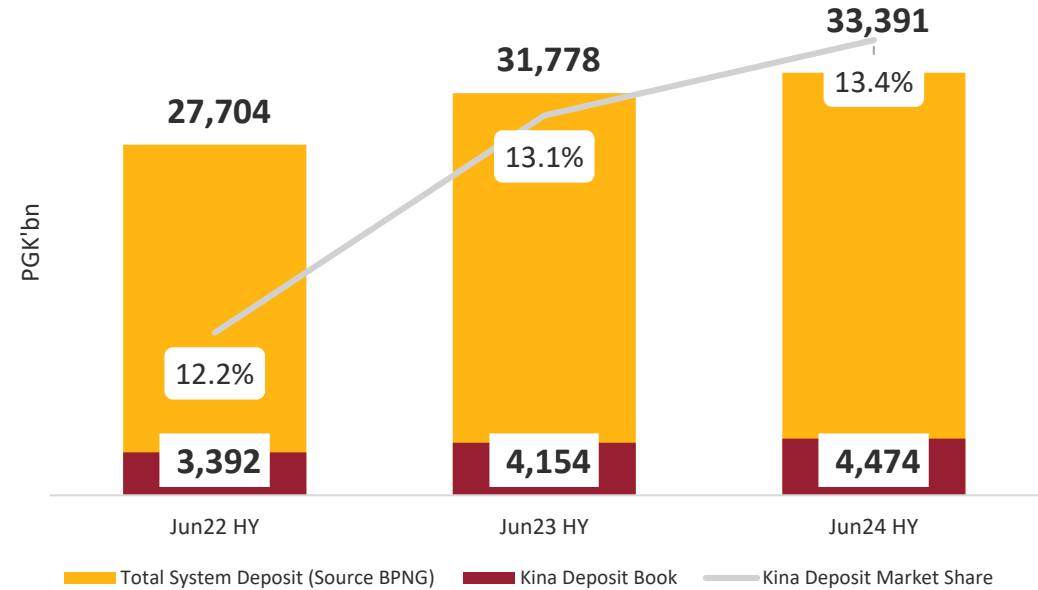


# Market Share.

Market share percentage - Lending



Market share percentage - Deposits



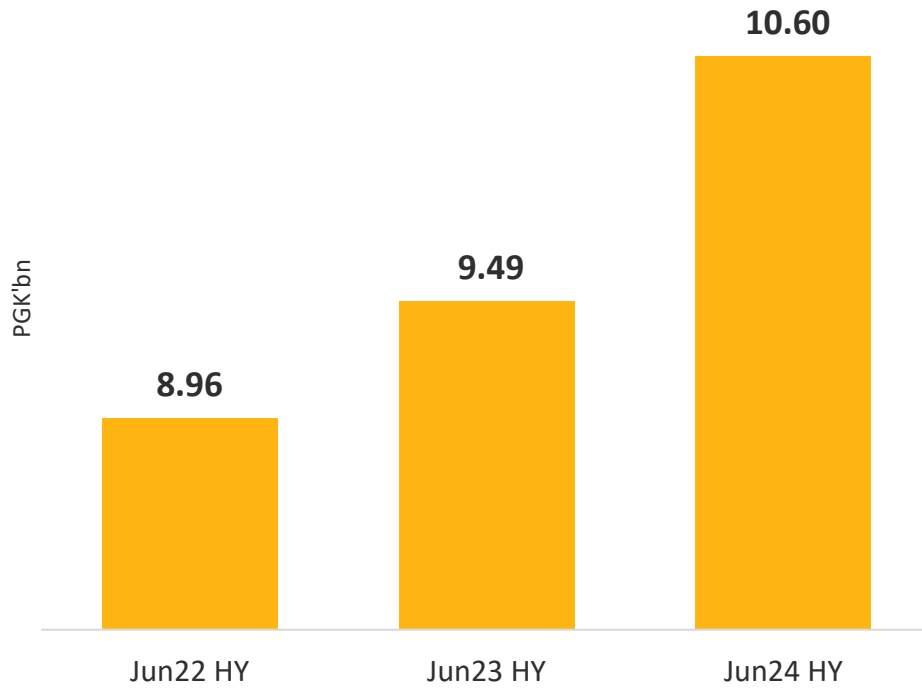
# ***Kina Bank - non lending operations.***

- It is also the largest wealth management business in PNG, with more than PGK11 billion funds under management.
- As the country's largest fund administrator, it administers accounts on behalf of more than 938,000 beneficiaries whose funds total almost PGK19 billion.
- Kina Bank is also the leading stockbroking company in PNG.

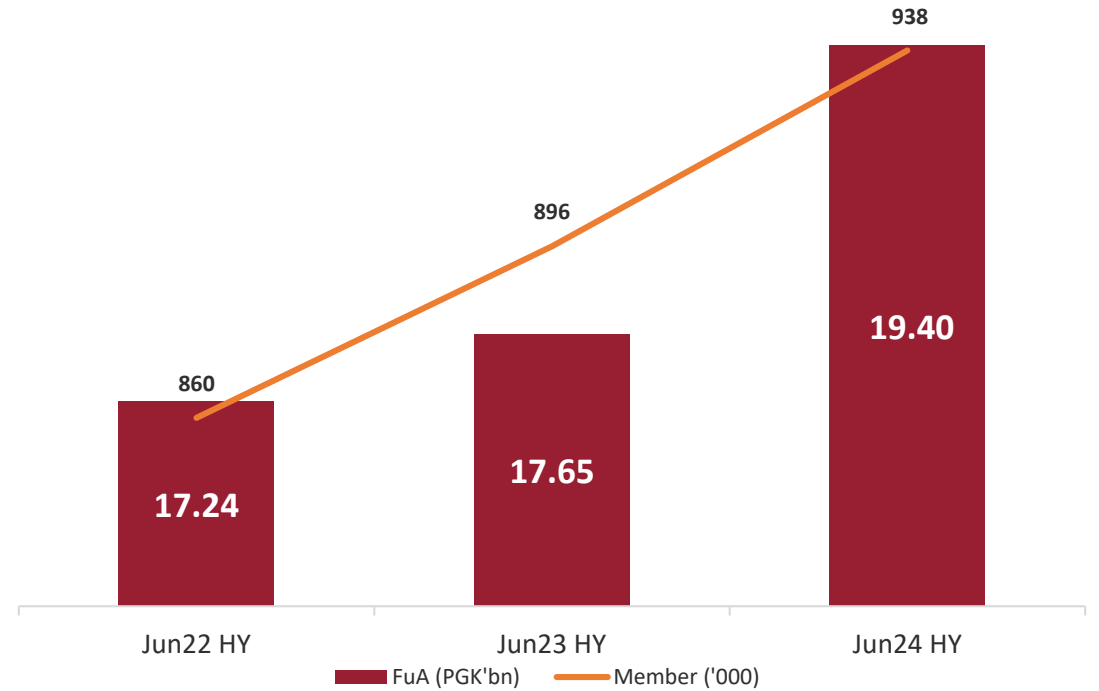


# Kina Wealth.

Funds under Management



Funds under Administration





***Thank you***

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