



Kina Securities Limited

Half Year Results to 30 June 2025

27 August 2025

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Ivan Vidovich - CEO & Managing Director



HY 25 results:

Johnson Kalo - Chief Financial Officer



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John Polinelli - Chief Investment & Strategy Officer

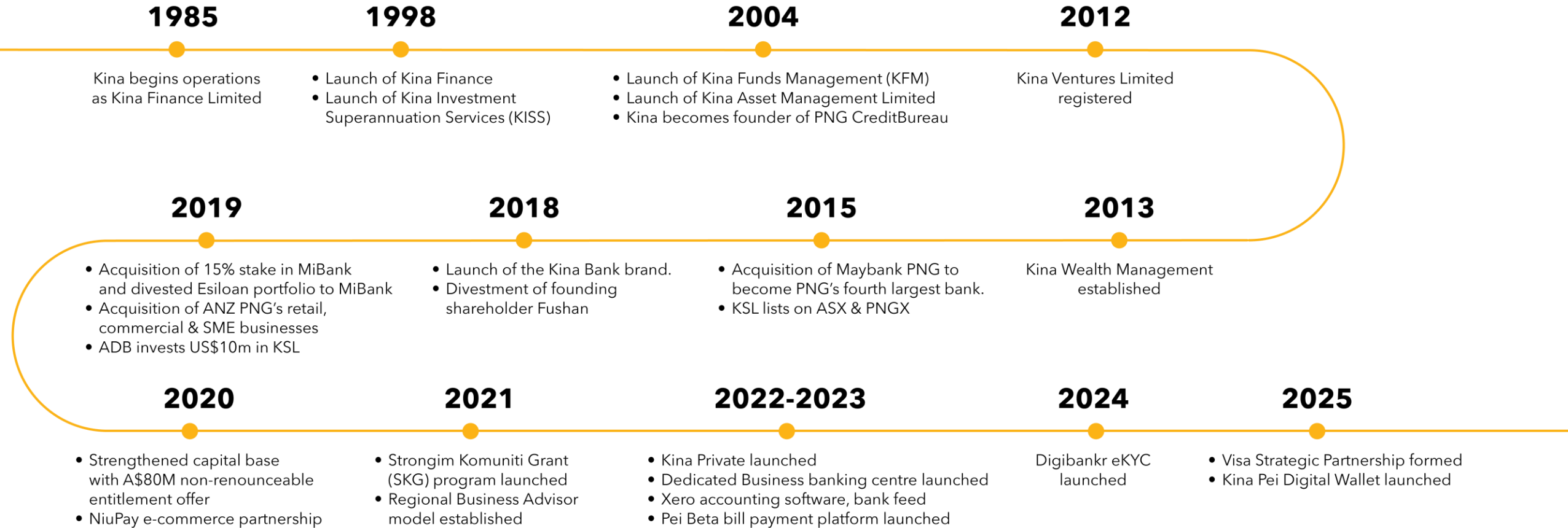


A Year Of Milestones.

- 2025 marks Kina Bank's 40th Anniversary, which coincides with Papua New Guinea's 50th Independence Anniversary.
- Kina Bank has grown into a dynamic force in Papua New Guinea's banking sector, driving nation-building while strengthening competition.
- Now firmly established as an innovator and driver of change, providing hard-working Papua New Guineans with more choice and financial opportunity.



Celebrating 40 years in PNG.



Economic Update.

- **Economic Growth:** Following a relatively stable result of 3.8% in 2024, PNG's real GDP growth is projected to increase to 4.7% in 2025, driven by strong gold prices and a competitive agriculture sector.
- **Inflation:** Inflation continues to be a focus, after a modest increase in 2024 of 0.6% reflecting improved supply chains globally.
- **Fiscal Reforms:** The PNG government continues to implement tax reforms enhancing compliance and reducing the fiscal deficit, aiming to lower the debt-to-GDP ratio from 52.1% in 2024 to below 40% by 2030.
- **Foreign Exchange and Monetary Policy:** Historical FX liquidity challenges have improved, driven by improved commodity prices. The establishment of an independent Monetary Policy Committee has enhanced policy transparency.
- **Resource Projects:** Medium-term optimism is anchored by major LNG projects, with the Total-led Papua LNG project potentially reaching a Final Investment Decision by the end of 2026.
- **Grey-listing Impact:** Economic sentiment may be affected by a potential grey-listing under the Financial Action Taskforce, in February 2026. Early consultations are underway to mitigate impacts.

Overview.

Organic growth momentum on 1H2024 (PCP)

- Statutory NPAT of PGK 57.7m, up 37%
- Total revenue PGK 251m, up 10%
- Loan book up 16%
- NIM up 30 bps to 5.9%

Diversified Revenue growth on 1H2024 (PCP)

- FX revenue up 37%
- Digital revenue up 15%
- Funds Management revenue up 24%
- Funds Administration revenue up 11%

Shareholder returns on 1H2024 (PCP)

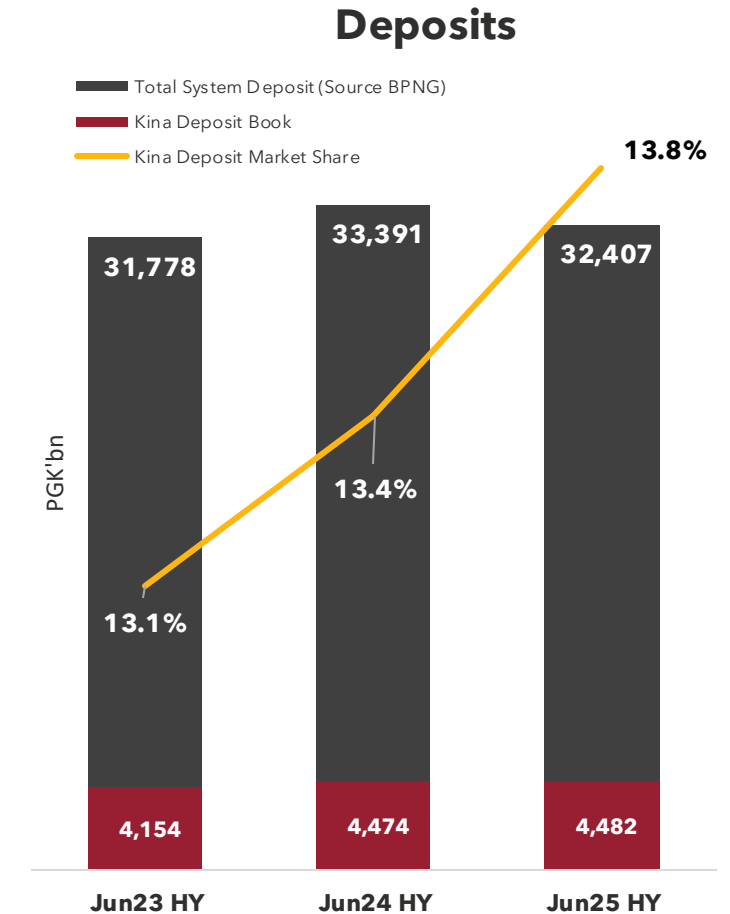
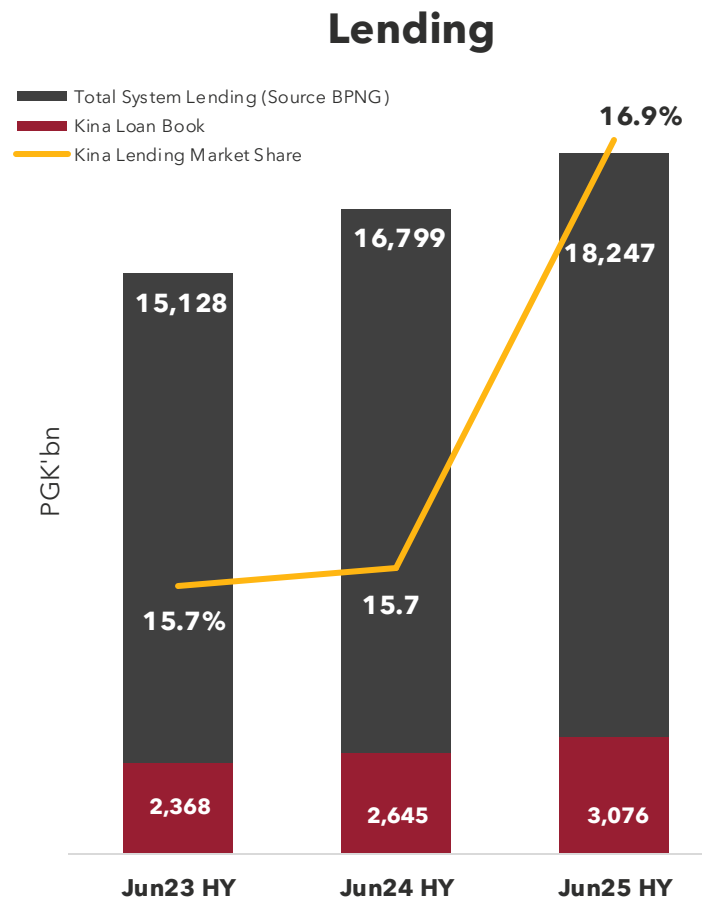
- RoE of 17.1% up 390 bps from 13.2%
- Earning per Share 7.1 cents up 30% / 20 toea up 36%*
- Dividend per Share 4.5 cents up 13% / 12.6 toea up 19%*

*AUD:PGK cross rate as at 30 June 2025 of 0.3562 which has depreciated from 0.3761 since 1H2024 results

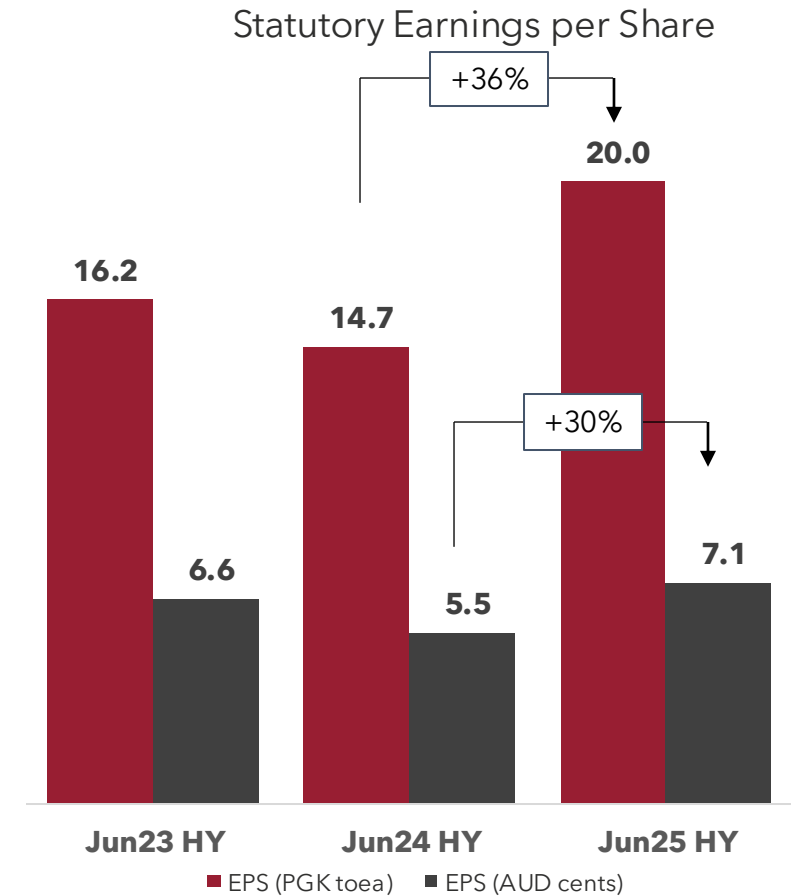
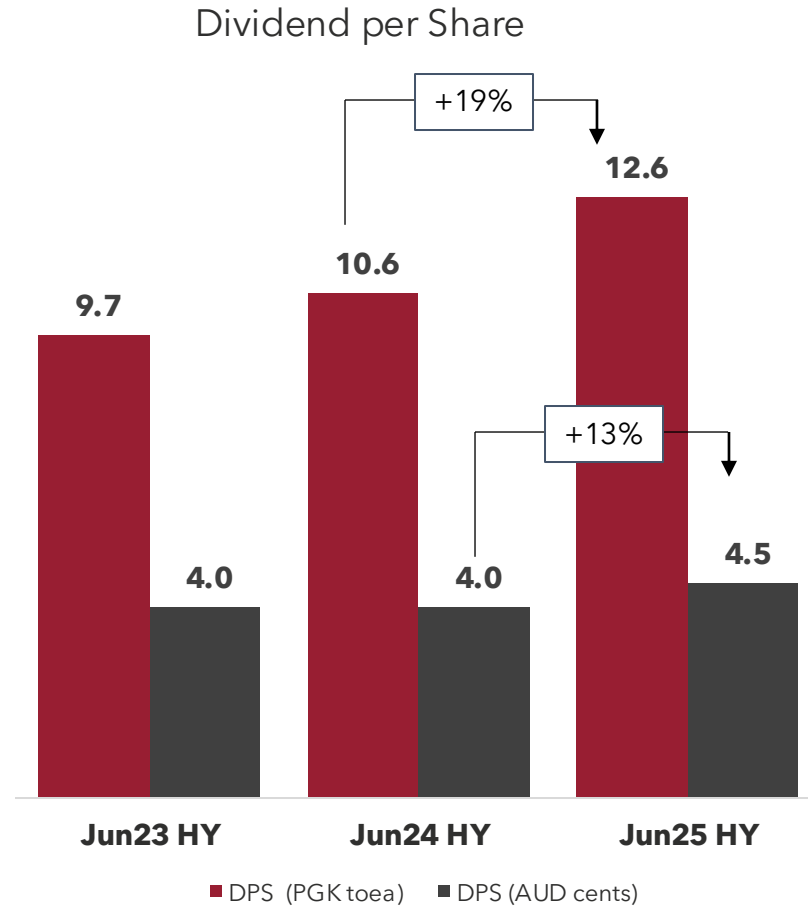
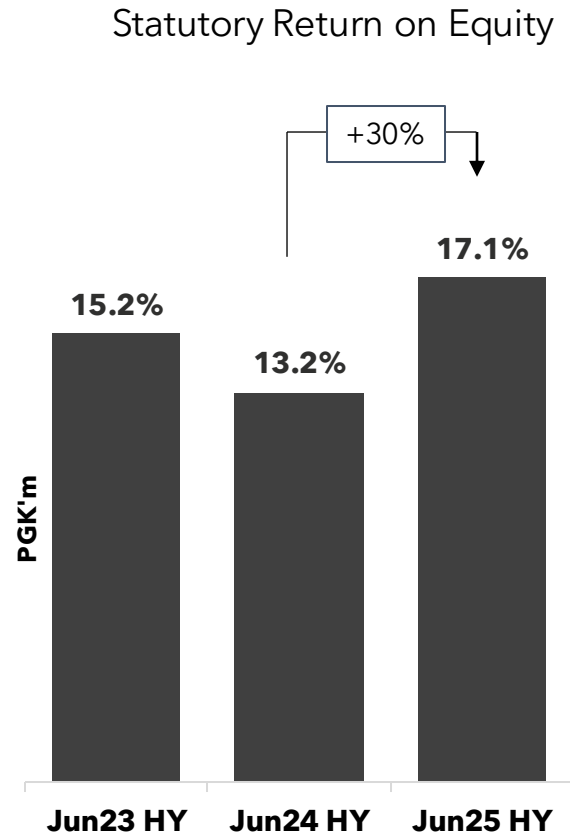


Market Share.

- Strong loan growth in the half, up 16% on PCP, driven by business and home lending
- Lending market share grew 7.6% (120 bps) to 16.9% as Kina continues to grow with and into the market
- Gross deposits were flat on PCP. Despite total system deposits falling 3% reflecting the increased liquidity in the FX market; Kina's market share increased 3% (40 bps) to 13.8%.



Shareholder Return.



1H 2025 Results.



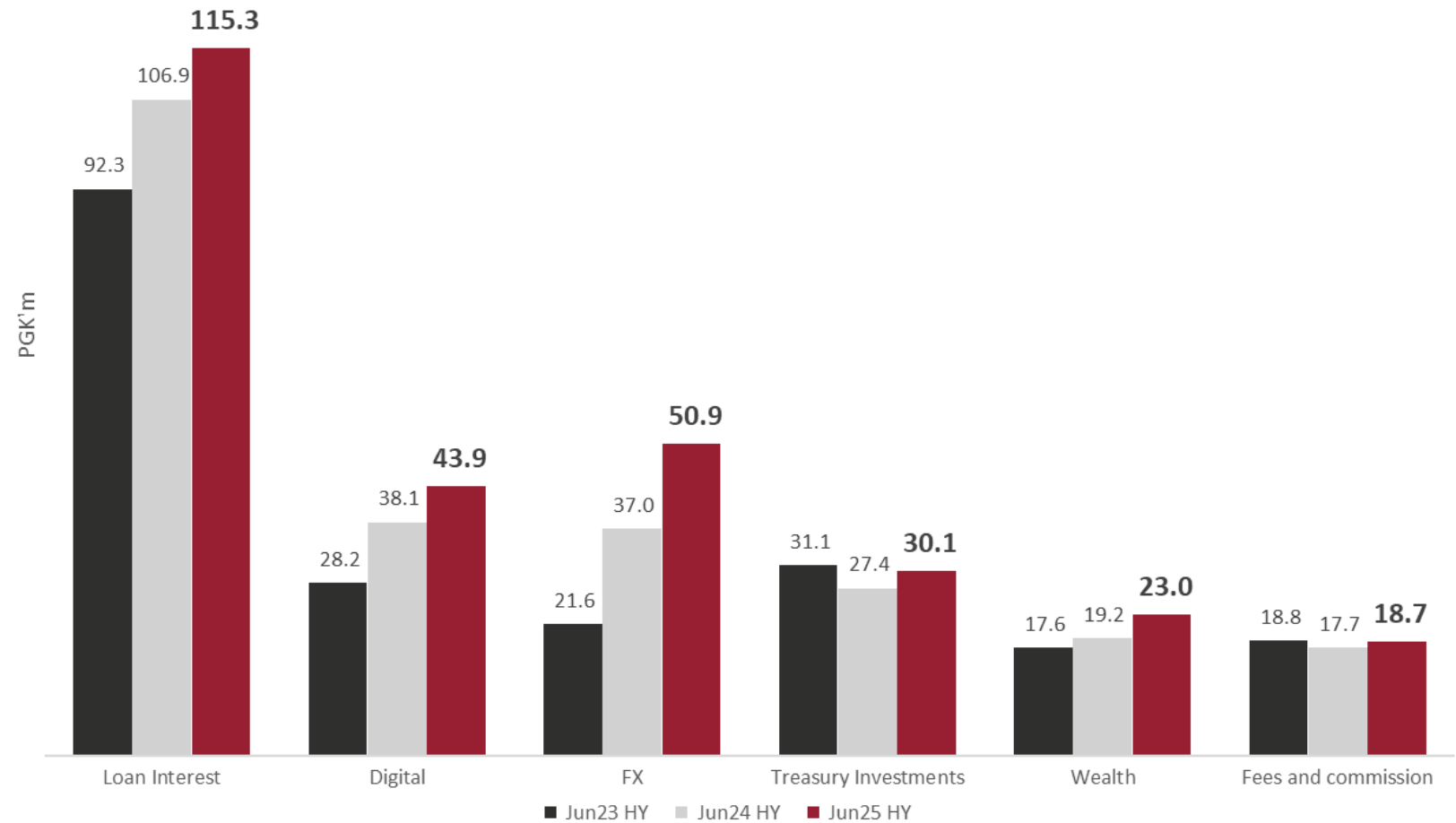
Financial Highlights.

	HY2025	HY2024	Movement	
Revenue (PGK m)	251.0	227.5	10%	●
Underlying NPAT (PGK m)	57.7	49.7	16%	●
Stat. NPAT (PGK m)	57.7	42.2	37%	●
Stat. Cost to income ratio (%)	59.2	64.8*	-560 bps	●
Stat. ROE ratio (%)	17.1	13.2	390 bps	●
Interim Dividend (AUD cents)	4.5	4.0	13%	●
Interim Dividend (PNG toea)	12.6	10.6	19%	●
Total Capital Ratio (T1 + T2) (%)	17.3	19.3	-200 bps	●

*Excluding 1H24 fraud loss, Cost to income is 58.9%

Revenue + 10%.

- Revenue growth across all segments.
- Underpinned by:
 - FX revenues +37%
 - Loan book growth +16%
 - Digital revenues +15%
 - Wealth revenues +20%

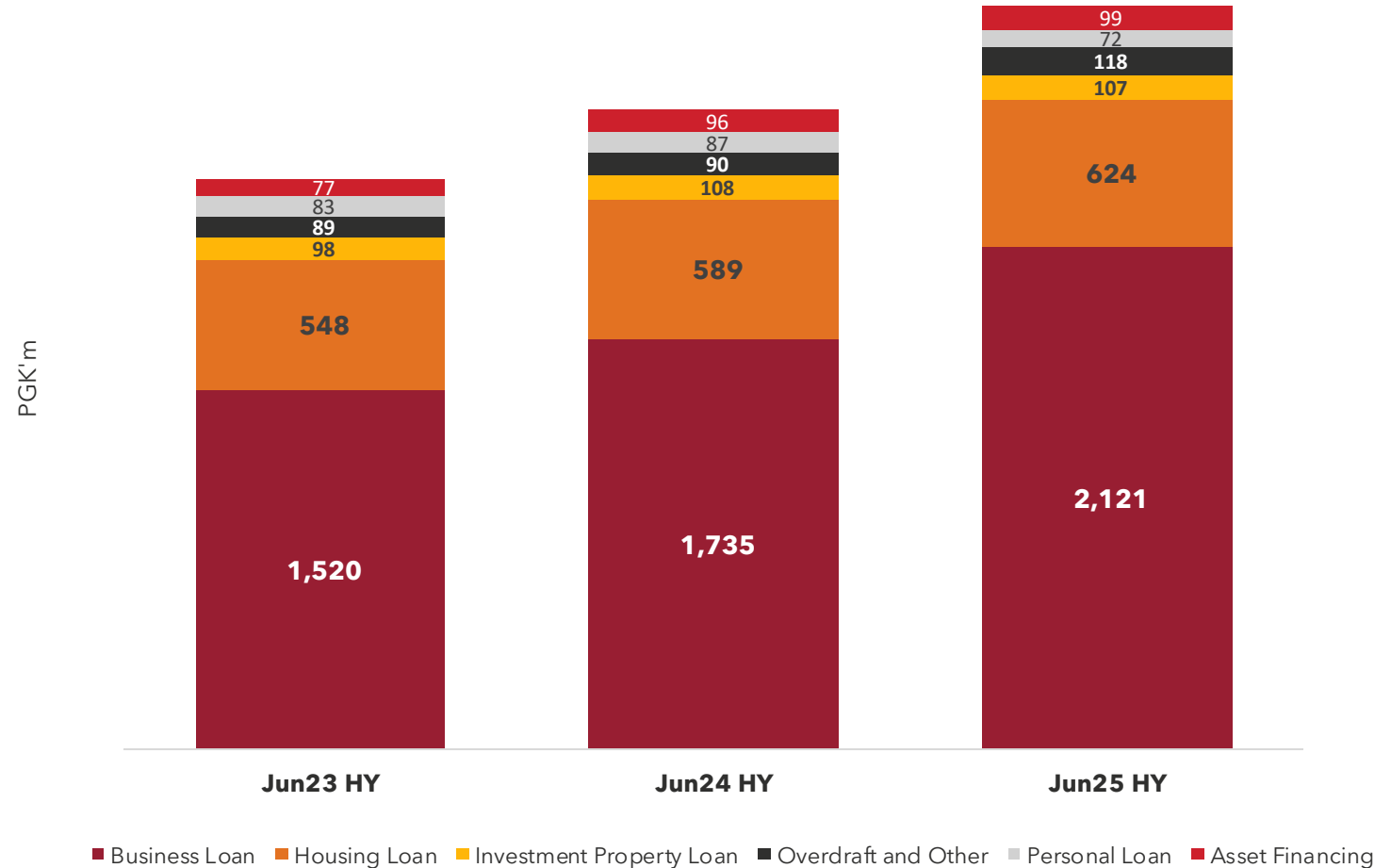


Loan Book +16%.

Solid loan growth of 16% vs PCP

Driven by:

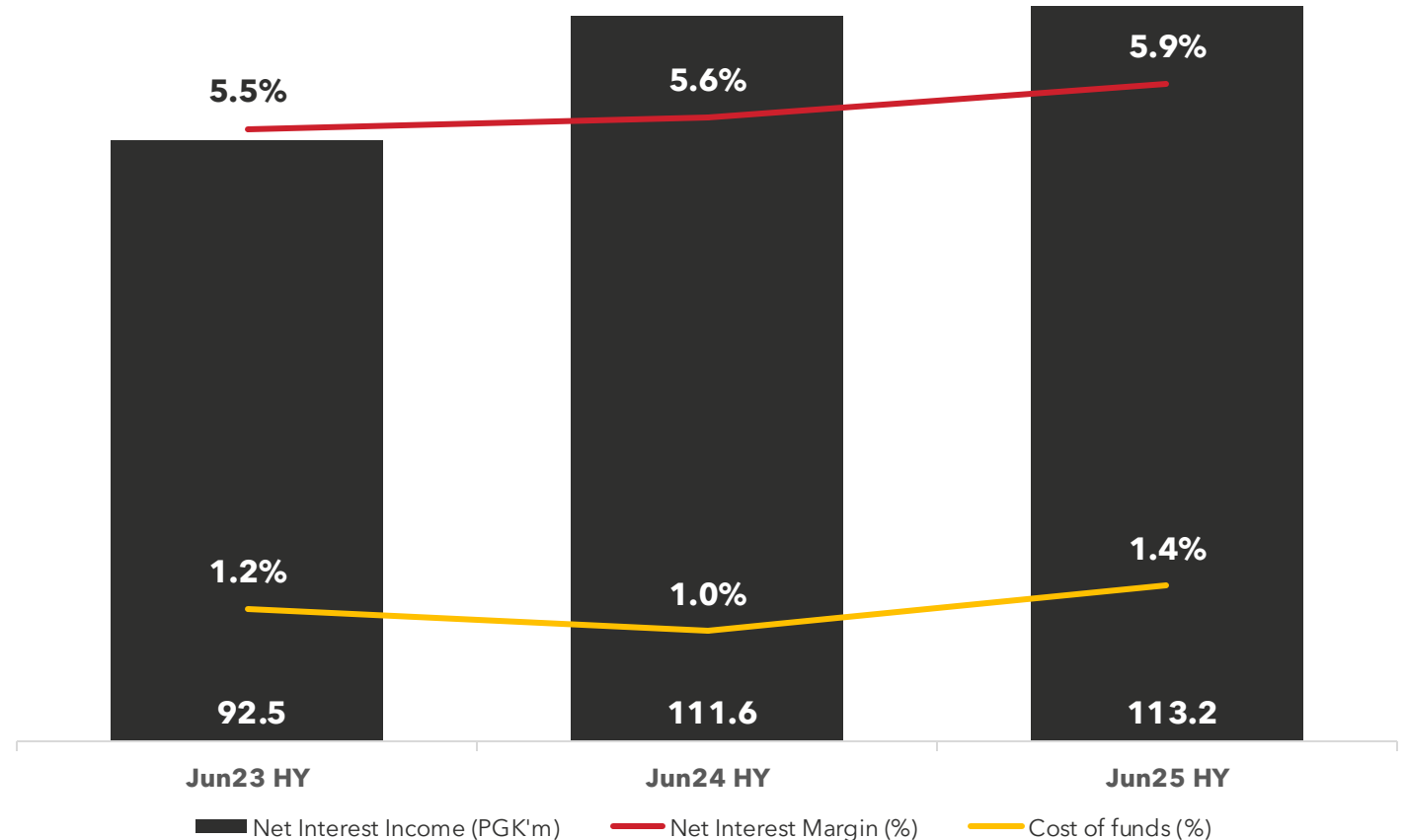
- Business loans (+22% PCP)
- Housing loans (+6% PCP)
- Asset Financing (+3% PCP)
- Personal loans (-17%) reflecting Asset Quality uplift, including in unsecured personal lending portfolio.



Net Interest Margin.

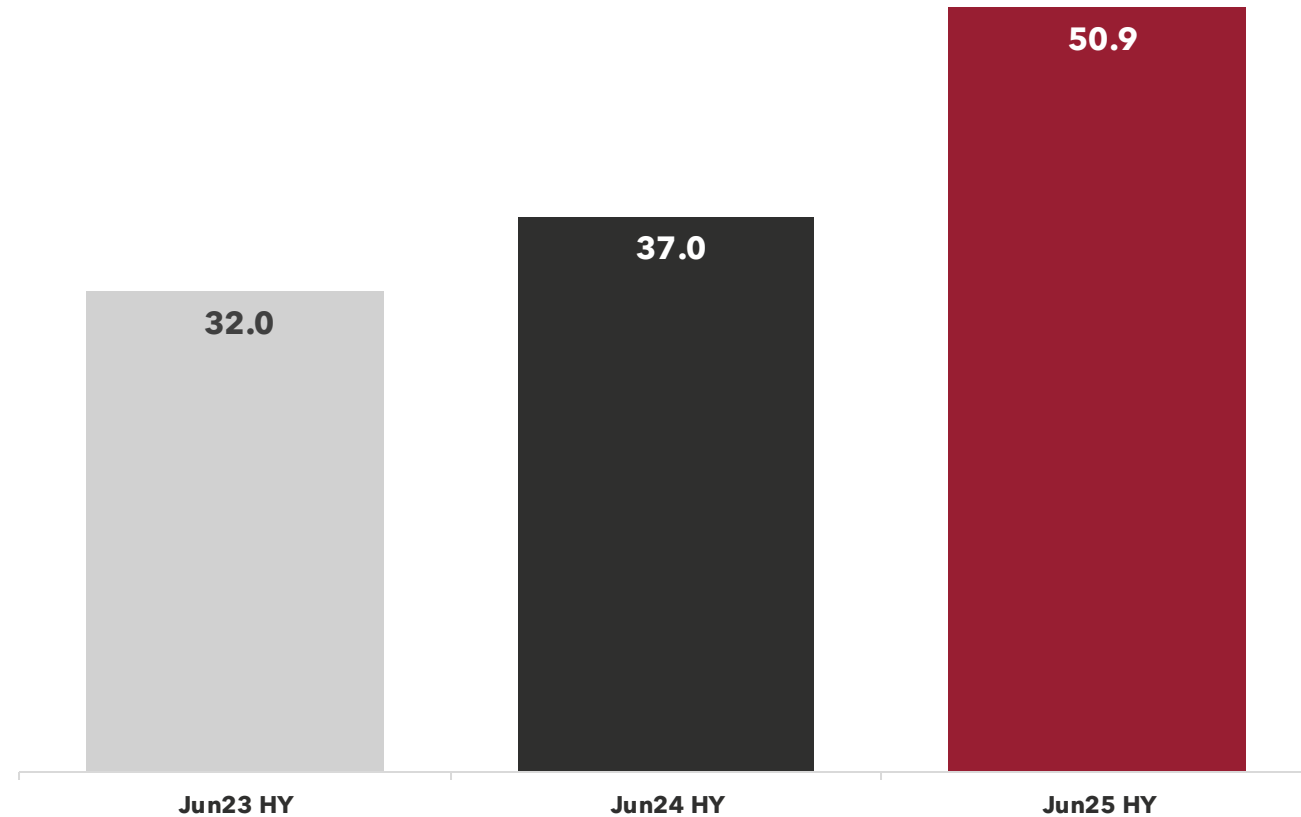
NIM up 30 bps driven by:

- Improved yield rates on Treasury Bills
- Competitive pricing on wholesale deposits to support growth in the loan book
- Nominal increase in loan portfolio returns reflects robust credit risk management



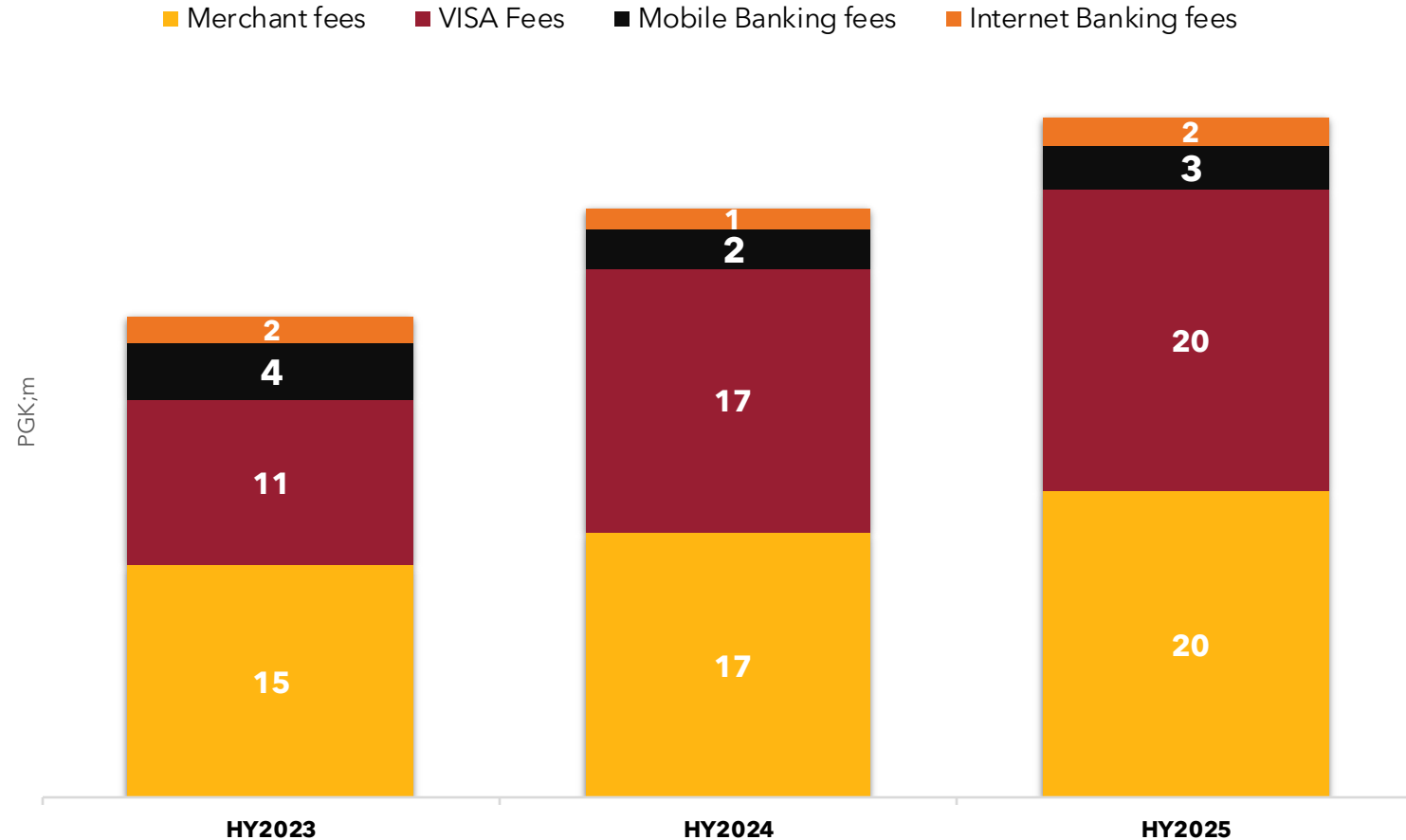
FX Revenue + 37%.

- FX revenues performed strongly, driven by increased FX inflow from higher commodity prices
- 1H25 FX revenues +37% and volume +36%, against PNG total FX market turnover +20%
- Going forward, growth may moderate in the short term as BPNG evolves its intervention practices in favour of interbank market activity



Digital Revenue +15%.

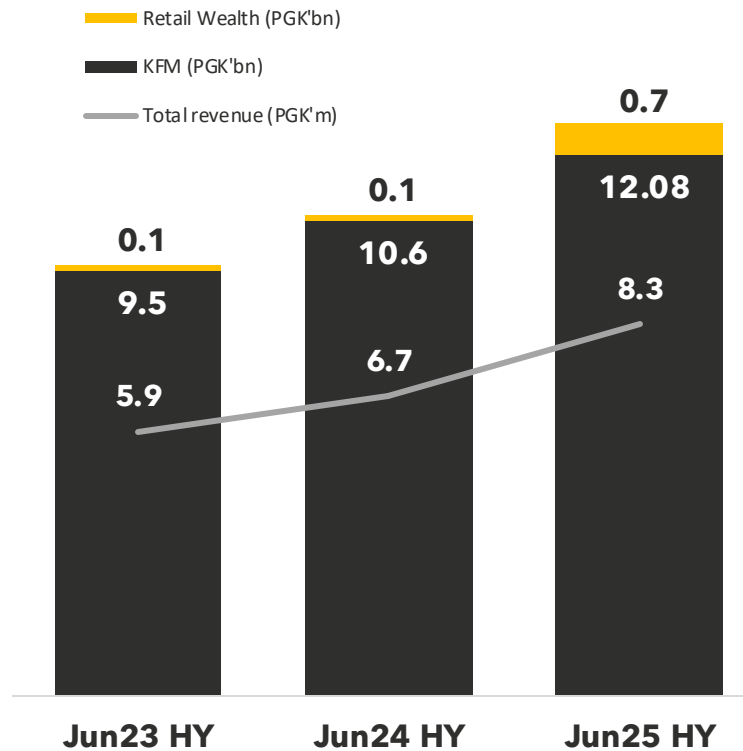
- Digital Revenue growth from solid transactional volumes in merchant and visa fees.
- This growth will be supported in 2H by additional merchant terminal deployment and digital product enhancements.



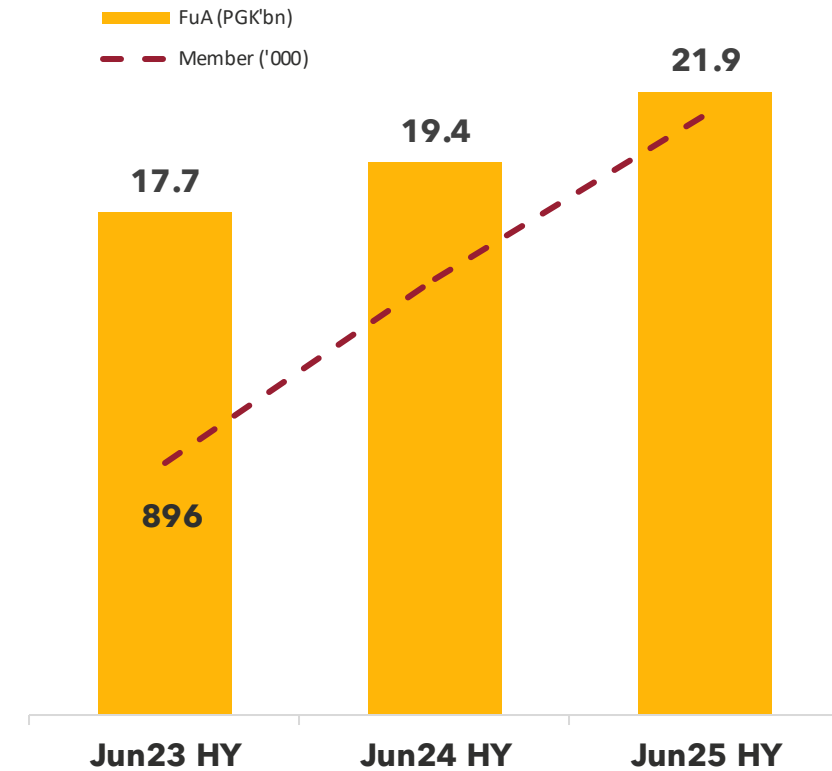
Kina Wealth.

- Funds Management
 - Funds increased 19%
 - Revenue up 24%
 - Margin expansion driven by Retail Wealth Management
- Funds under Administration
 - Assets up 13%
 - Membership up 4%
 - Revenue up 11%

Fund under Management (FuM)



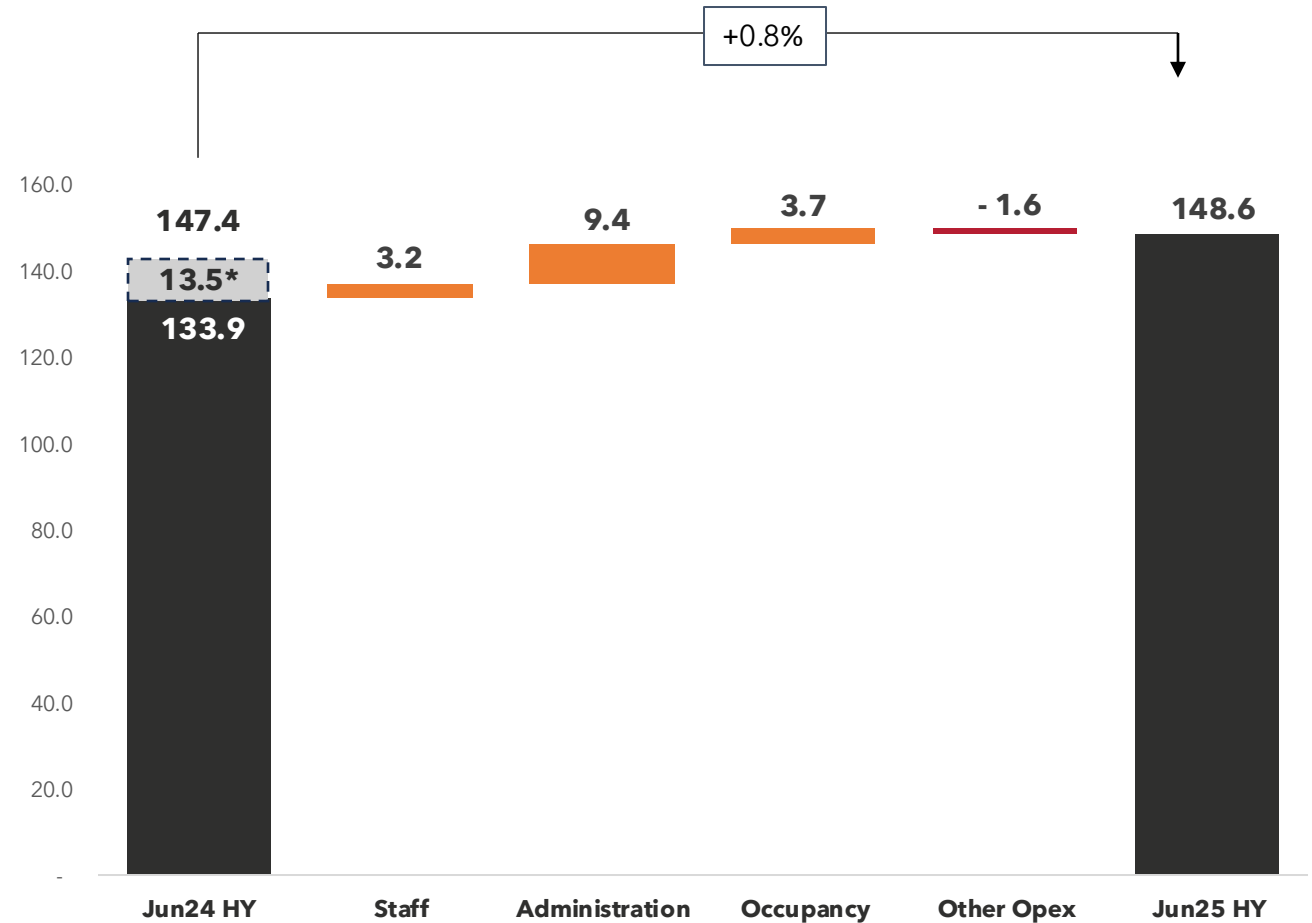
Fund under Administration (FuA)



Operating Costs.

Statutory operating costs +0.8% on PCP:

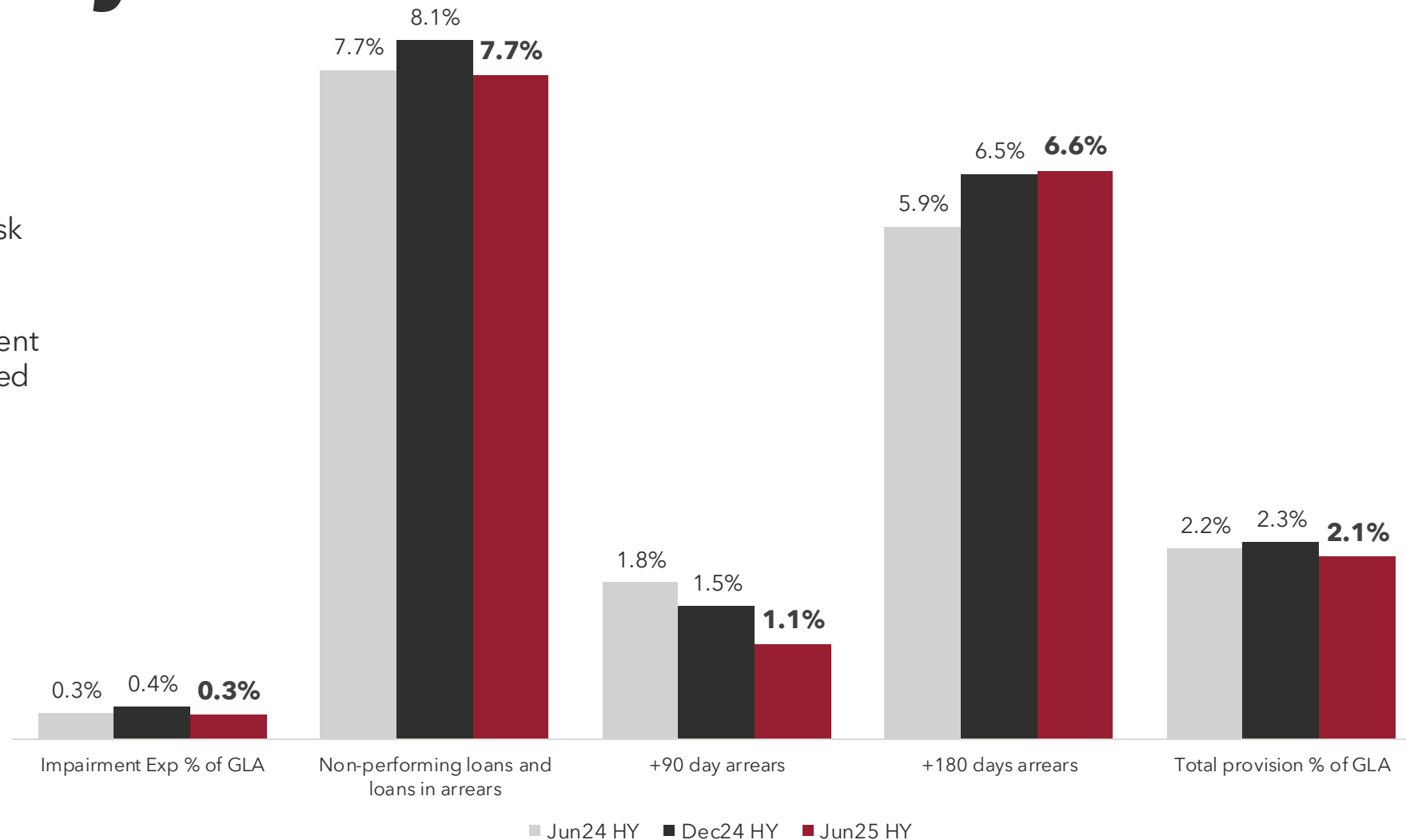
- **Administrative costs** includes merchant and visa charges which grew inline with digital revenues
- **Occupancy:** Corporate office relocation resulting in temporary occupancy cost increase. Expected to decrease in FY26
- +10.5% on underlying basis excludes 1H24 one-off fraud loss provision.



*Fraud loss provision in 1H24

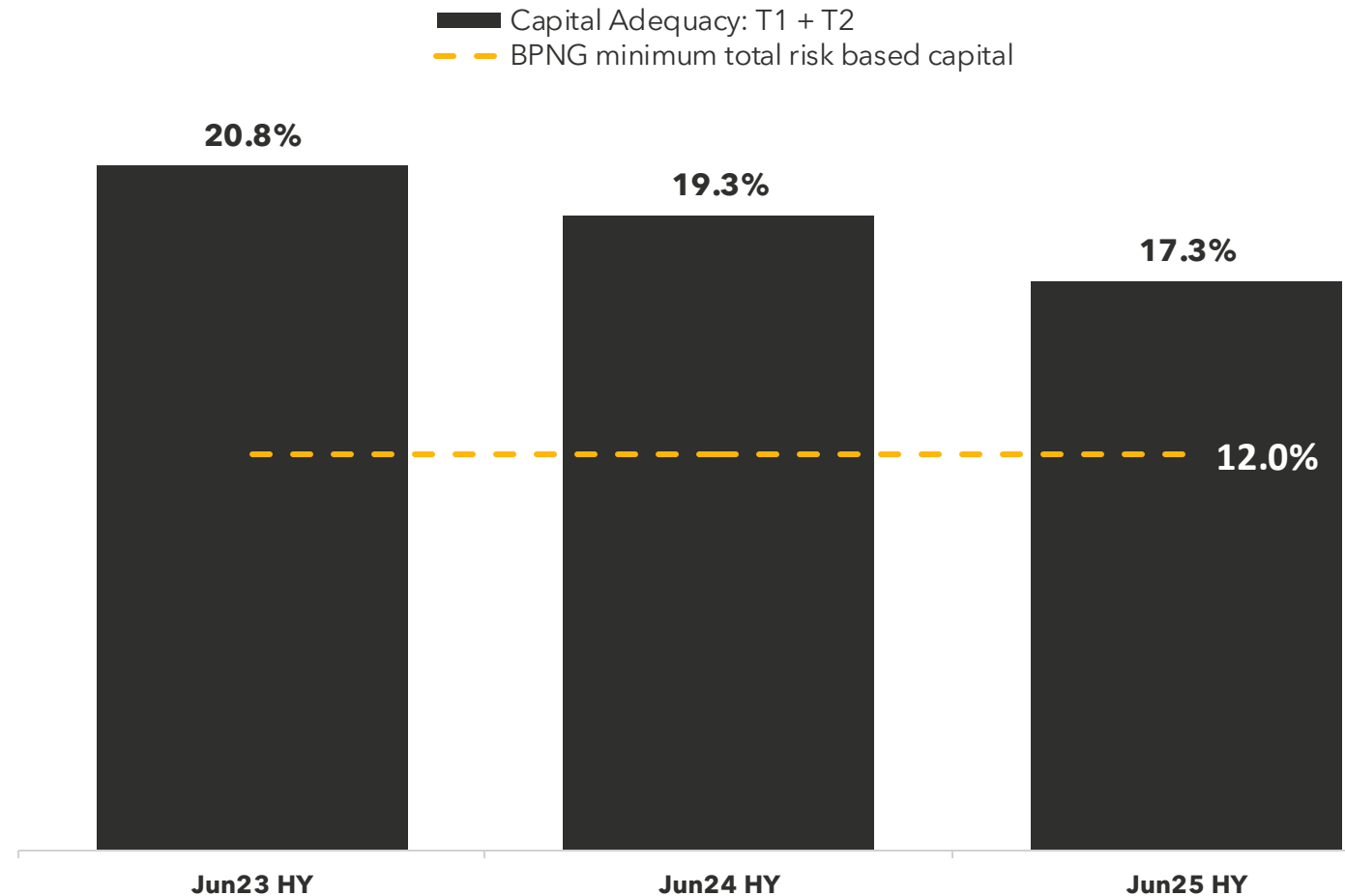
Asset Quality.

- Loan portfolio continues to demonstrate strong quality, prudent lending and robust risk assessment
- Proactive provision management is expected to deliver continued asset quality improvements.



Capital Adequacy.

- Capital adequacy ratios remain healthy and robust in line with BPNG's *Well Capitalised* classification
- As a growing bank Kina continues to make efficient use of the capital base
- Sufficient capacity exists to maintain growth profile.



Strategy & Outlook.



2025 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.



Inspire.



Responsive.



Serve.



Together.

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

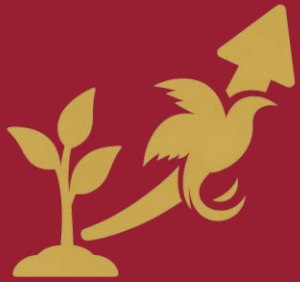
Sparks creativity, fuels perseverance, drives change and touches hearts.

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

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

Is a team who entrust each other.

2030 Strategy Development.



Fostering organic growth:

In PNG's banking sector by prioritising customer experience, targeted segmentation, and optimising product and portfolio profitability.



Expanding wealth management services:

To complement banking operations and tap into emerging opportunities in PNG and the broader region.



Strategic M&A initiatives:

Emphasising income diversification, scalability, enhanced capabilities, and maximising shareholder value.



Optimised capital planning:

Ensuring financial resources are aligned to bolster stability, deliver returns, and create enduring stakeholder value.

Sustainable Communities.

- **Strongim Komuniti Grant (SKG) program:** Kina Bank team members participated in 5 projects across provincial PNG in 2025:
 - School desks for Pinu Primary School and Holy Rosary Primary School
 - Solar Lights at Catholic Diocese in Kimbe and at Adult Literacy Building (ALB) in Morobe Province
 - Water tank for Doe Community in Central Province.
- **Litehaus International partnership:** Funded computer labs in 10 schools in PNG in 2025
- **Youth programs:** Through a partnership with the Kokoda Track Foundation, Kina supported 12 young university graduates to receive mentoring & leadership training.



Donation of school desks to Pinu Primary School in Kairuku as part of SKG program.

Culture.

- All employee Town Hall & People Leader Conferences, focused on **customer experience, culture & recognition** for long serving team members
- Employee wellbeing and team bonding through community and corporate sports programs
- Participation in corporate social events for example the Trukai Fun Run & TIPNG Walk Against Corruption.



Summary & Close.

- **Continued market share gains across lending and deposits**, as Kina delivers on its strategy, delivering market leading solutions in-line with customer needs
- **Growth in non-interest income**, as Kina aligns growth and capital optimisation initiatives
- **Investment into technology, leadership and technical expertise** which are critical enablers of long-term efficiency, resilience and growth
- **Record 1H Revenue, NPAT and Dividends** demonstrates the underlying momentum in the business, quality of the lending book and robust risk assessment
- **Strong capital base** with significant headroom to maintain growth profile.



Appendices.



Board of Directors.



Ian Clough
Non-Executive Director
and Chairman of The Board
Appointed: July 2024



Ivan Vidovich
Chief Executive Officer & Managing Director
Appointed: January 2025



Karen Smith-Pomeroy*
Non-Executive Director
Chair of the Audit Committee
Member of the Risk Committee,
Member of the Disclosure Committee
Appointed: September 2016



Paul Hutchinson
Non-Executive Director
Chair of the Risk Committee
Member of the Audit Committee
Appointed: August 2018



Andrew Carriline
Non-Executive Director
Chair of the Audit Committee**
Chair of the Disclosure Committee
Member of the Remuneration and Nomination Committee
Member of the Risk Committee
Appointed: August 2018



Jane Thomason
Non-Executive Director
Chair of the Remuneration and Nomination Committee
Member of Strategy & Transformation Committee
Appointed: April 2018



Richard Kimber
Non-Executive Director
Chair of the Strategy & Transformation Committee
Member of the Remuneration and Nomination Committee
Appointed: September 2023



Robert Nilkare
Non-Executive Director
Appointed: August 2025



Lutz Heim
Non-Executive Director
Appointed: August 2025

* Retiring 31 August 2025
** Effective 01 September 2025

Executive Management.



Johnson Kalo
Chief Financial Officer &
Company Secretary



Philip Keller
Chief Risk Officer*



Rina Antonio-Jang
Chief Operating Officer



John Polinelli
Chief Investment & Strategy
Officer



Aman Shandil
Chief Information officer



Rayeleene Elston
Executive General Manager
Business and Retail Banking



Ann Steele
Executive General Manager
People & Culture



Nathaniel Wingti
Executive General Manager
Treasury & Financial Markets



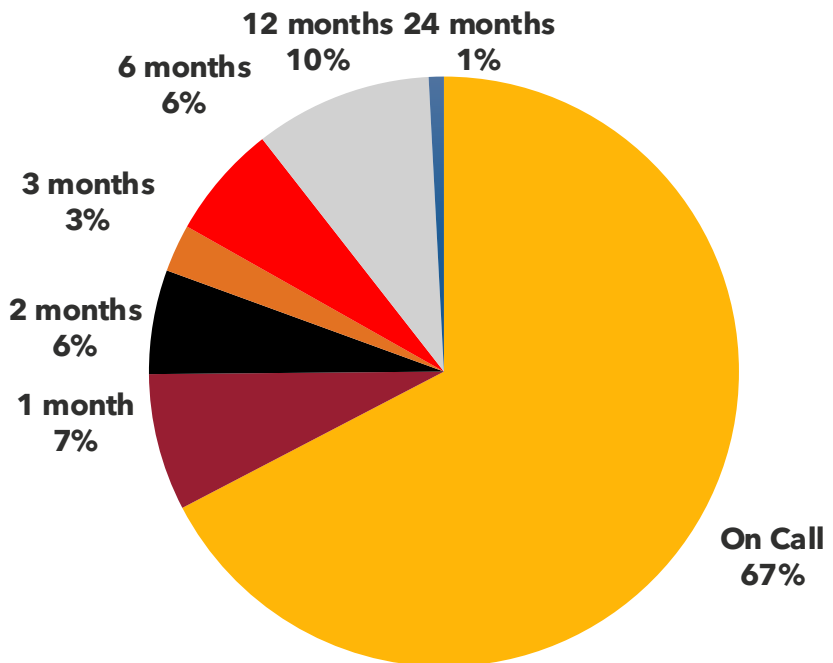
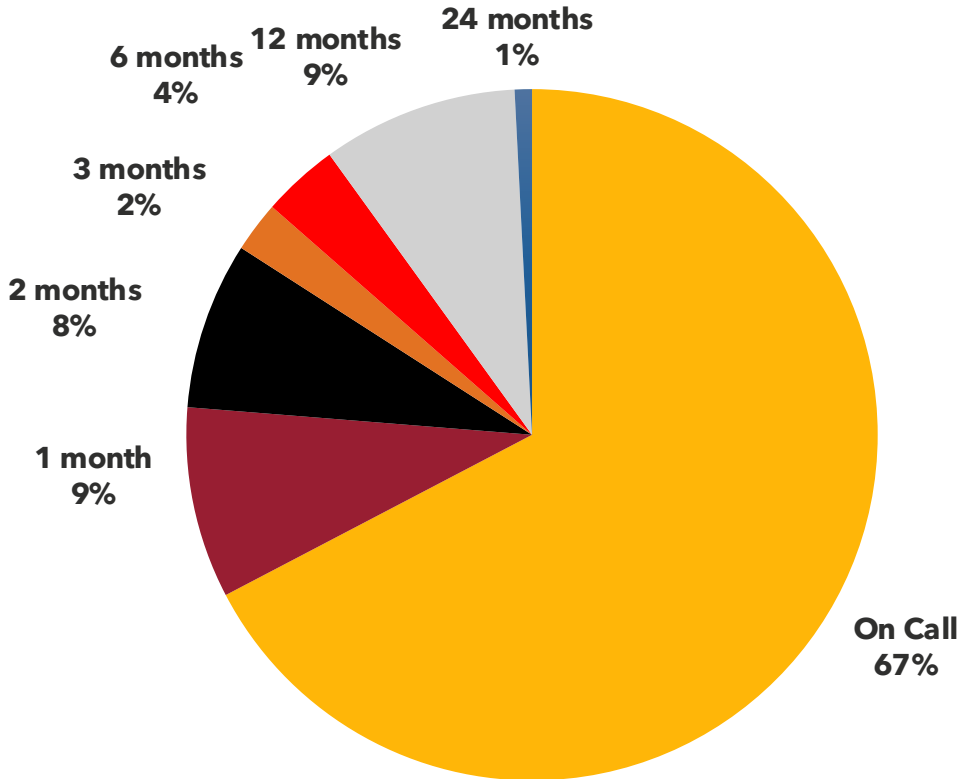
Shirly Prasad
Executive General
Manager Payments &
Digital Banking

Corporate Tax.

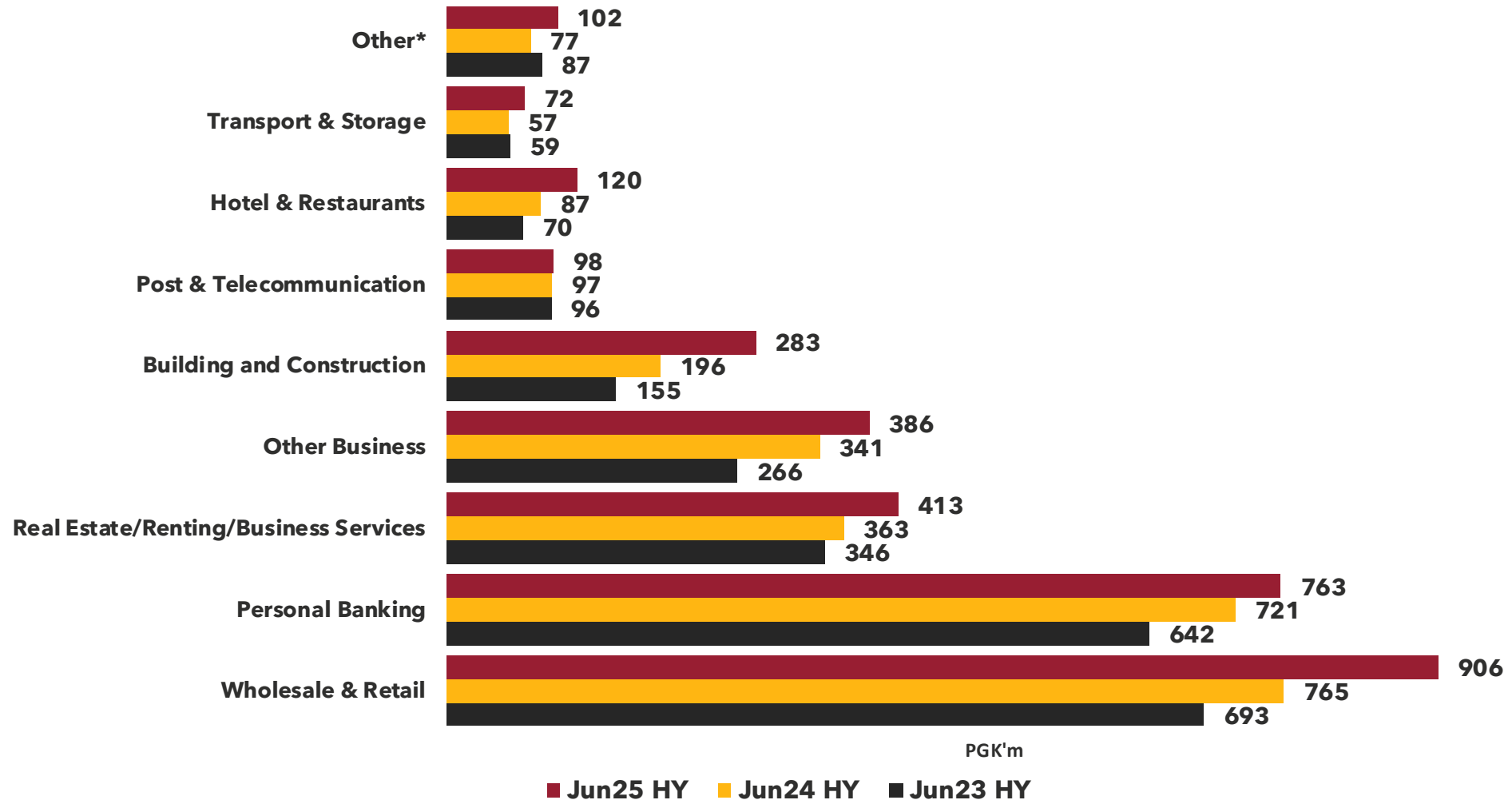
- In December of 2024, the PNG Government announced a decrease in Corporate Income Tax on Commercial Bank profits under PGK300m from 45% in FY24 to 40% for FY25 and 35% for FY26 onwards.
- KSL expects its blended tax rate, reflecting banking and non-banking income, to be 39%, down from 42% in FY24.
- 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. A further decrease in tax rate will result in a revaluation of DTA at the end of 2025.

	2022	2023	2024	2025	2026
Standard CIT 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%

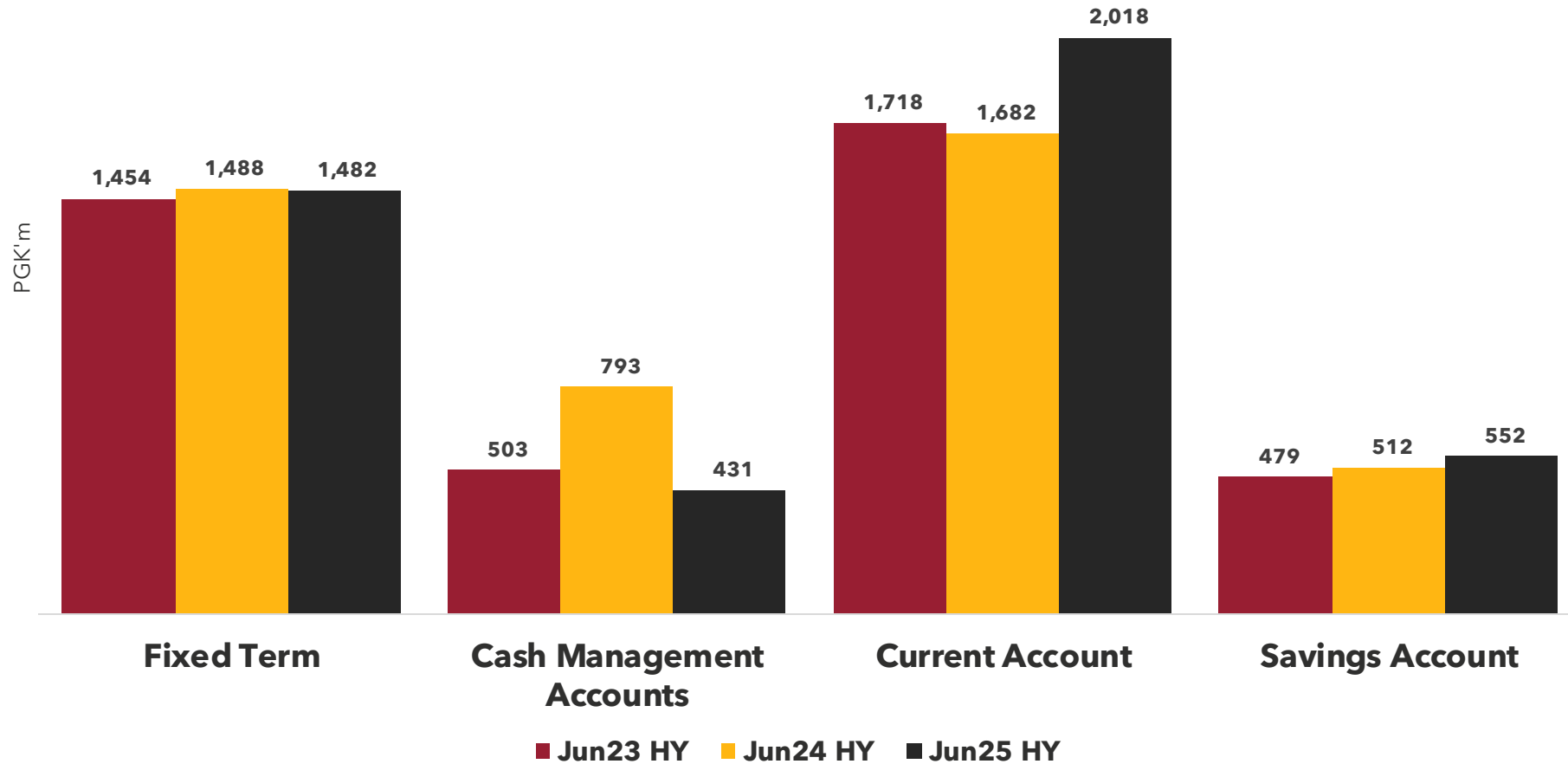
Deposit Tenure.



Loan Portfolio by Industry.



Deposits by Product.



Thank you.

