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# ASX - Announcement

ASX Markets Announcement Office  
Level 27  
39 Martin Place  
Sydney NSW 2000  
Australia

BY ELECTRONIC LODGEMENT

## Appendix 4E - Preliminary Final Report

Please find attached for release to the market, Kina Securities Limited (ASX:KSL) Appendix 4E - Preliminary Final Report for the year ended 31 December 2025.

ENDS

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

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# Kina Securities Limited

Full Year Results as at 31 December 2025

(ABRN 606 168 594)

Incorporating the requirements of Appendix 4E



**Kina Securities Limited**

# ASX Appendix 4E

## For the Full Year ended 31 December 2025

Comparisons of the current year results to 31 December 2025 (FY2025, reporting period) are with the full year to 31 December 2024 (FY2024, previous corresponding period (PCP)).

PGK	Dec-25	Dec-24	Change Dec25 vs Dec24	
			PGK'000	%
Revenue from ordinary activities	545,527	484,899	60,628	13%
Profit from ordinary activities	208,257	180,110	28,147	16%
Underlying Net Profit after tax	126,238	109,459	16,779	15%
Net Profit after tax attributable to equity holders	120,731	100,296	20,435	20%
Net Tangible Assets per security (PGK)	2.18	1.99		

Dividends	FY 2025	FY 2024
<b>Dividends distributions (Final dividend)</b>		
- unfranked (AUD cents per share)	6.5 cents	6.0 cents
- unfranked (PGK toea per share)	19.3 toea	15.5 toea
<b>Dividends distributions (Interim dividend)</b>		
- unfranked (AUD cents per share)	4.5 cents	4.0 cents
- unfranked (PGK toea per share)	12.6 toea	10.6 toea
<b>Full year dividend</b>		
- unfranked (AUD cents per share)	11.0 cents	10.0 cents
- unfranked (PGK toea per share)	31.9 toea	26.1 toea

The Board of Directors have declared a final unfranked dividend for the reporting period based on the Net Profit After Tax (**NPAT**) attributable to equity holders for the full year of PGK 120.7m. This is compared to NPAT of PGK 100.3m for the PCP.

The final dividend is converted based on an exchange rate: 1 PGK = 0.3361 AUD.  
The Record date for determining entitlements to the dividend is 5 March 2026.

The financial information contained in this report for the reporting period is presently being audited. The figures for the prior corresponding period are audited numbers.

This report should be read in conjunction with the unaudited Consolidated Statements for the full year ended 31 December 2025 in Section 2.

This report is provided to the ASX under Listing Rule 4.3A

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# 1. Results Overview

Kina Securities Limited (KSL, Kina, Kina Group, Bank, the Business or the Company) has reported an unaudited statutory Net Profit After Tax (NPAT) of PGK 120.7m for the full year to 31 December 2025. This is compared to PGK 100.3 for the full year to 31 December 2024.

The statutory profit has been calculated in accordance with International Financial Reporting Standards (IFRS).

Underlying profit of PGK 126.2m (15% growth against PCP) has been calculated by adding back the impact of a decline in deferred tax assets of PGK5.5m.

The Board of Directors has declared an unfranked final dividend for 2H25 of AUD 6.5 cents per share / PGK 19.3 toea per share. This compares to AUD 6.0 cents per share / PGK 15.5 toea in the PCP.

## Key results

	Full Year Ended		
	Dec-25	Dec-24	%
Underlying NPAT from ordinary activities (PGK m)	126.2	109.5	15%
Statutory NPAT from ordinary activities (PGK m)	120.7	100.3	20%*
Net Profit before tax (PGK m)	208.3	180.1	16%
Revenue (PGK m)	545.5	484.9	13%
FX Revenue (PGK m)	100.3	86.0	17%
Loan impairment expense (PGK m)	(39.0)	(18.2)	114%
Cost to income ratio (%)	54.7	59.1	(7%)
Net interest margin (%)	6.8	5.8	16%
Return on Equity (%) underlying	18.2	16.8	8%
Return on Equity (%) statutory	17.4	15.4	13%
Earnings per Share (PGK Toea) underlying	43.7	38.1	15%
Earnings per Share (PGK Toea) statutory	41.8	34.9	20%
Dividend (PGK Toea per share)	31.9	26.1	22%**
Dividend (AUD Cents per share)	11.0	10.0	10%
Deposit Growth (PGK m)	4,575.6	4,352.0	5%
Net loans and advances (PGK m)	3,252.9	2,883.6	13%
Capital adequacy (T1+T2) (%)	17.1	18.3	(7%)

\* Dec-25 Statutory NPAT includes the impact of a decrease in the tax rate from 40% to 35% in 2026 onwards.

\*\* PGK/AUD rate of 0.3361 as at 31 December 2025.

## Operating performance and earnings

Kina's 2025 performance was underpinned by strong revenue expansion across core banking products, foreign exchange operations, and digital service offerings, reflecting solid execution of the 2021 to 2025 strategic plan. The Group remains focused on delivering sustainable returns through deliberate organic market share growth, broader revenue diversification, disciplined cost management, and maintaining a resilient balance sheet. Kina's regulatory capital ratio strengthened to 17.1%, comfortably above mandated regulatory thresholds. Interest income from loans increased by 20% from the previous corresponding period, driven by continued momentum in both the Business and Home lending portfolios.

### FY25 Highlights:

- **Revenue Growth:** An increase of 13% in total revenue compared to the PCP, driven by the expansion of the commercial loan book, strong performance in foreign exchange income and core digital channels.
- **Underlying NPAT:** +15% to PGK 126.2 million.
- **Loan Book Expansion:** +13% to PGK 3.3 billion.
- **Net Interest Income:** +20% to PGK 267.7 million, up from PGK 222.2 million in the PCP.
- **Foreign Exchange income:** +17% to PGK 100.3m. The increase was driven by favourable market conditions and stronger client activity.
- **Fees and Commissions:** +9% supported by the growth of Kina's digital channels.
- **Cost to income:** Declined to 54.7% from 59.1%. The improved Cost to Income ratio relative to PCP reflects ongoing budgetary control measures.

- **Wealth Management Income:** Marginal increase of 2% to PGK 47.8m. Total funds under management reached PGK 13.7 billion, maintaining Kina's market share in the sector.

## Outlook

The bank expects further earnings growth in 2026. This is underpinned by expected growth in the PNG economy combined with Kina Bank's financial capacity and management capability to execute Kina Bank's strategic plan. Partially offsetting this will be headwinds from lower interest rates on government investments, a larger but more competitive FX market as well as further depreciation of the PGK vs AUD exchange rate. NPAT will benefit from a further decline in the statutory corporate tax rate for our banking operations from 40% in 2025 to 35% in 2026.

## Asset Quality

Asset quality is measured using an Expected Credit Loss (ECL) methodology which measures and recognises potential impairment losses on financial assets. Kina has further enhanced its internal risk grading model to incorporate estimates for loss allowance based on the credit risk of the assets. The enhanced risk model more effectively utilises three key items:

- Probability of Default (PD)
- Loss Given Default (LGD); and
- Exposure at Default (ED)

The model considers past and present outcomes and incorporates future macro-economic forecasts to ensure an appropriate and timely recognition and provisioning for credit losses as changes in credit risks occur. The model allocates relative weightings to base, upside and downside risk scenarios.

Section 1.2.8 provides additional explanation.

## Operating Expenses

Total operating cost for the 2025 year was PGK 298.3m, an overall increase of 4%.

Administrative, staff and occupancy costs contributed 39%, 38% and 17% respectively to total operating costs for the year.

Cost efficiencies identified early in 2025 continue to be delivered, allowing Kina Bank to increase its operating capacity and resilience.

Section 1.2.7 provides additional explanation.

## Underlying Capital

The underlying capital of the banking business is strong, with regulatory capital (T1+T2) comprising 17.1% of Risk Weighted Assets (**RWA**). Kina remains well above the regulatory minimum of 12%.

The higher capital base positions the Group well for further growth opportunities in lending, ongoing investment in digital capabilities and across the multi-channel distribution network. The Bank's strong capital base continues to provide a good base for inorganic growth opportunities.

## 2026 Income Tax Rate decrease

In December of 2024, the PNG Government announced a decrease in Corporate Income Tax on Commercial Bank profits under PGK300m from 45% in FY2024 to 40% for FY2025 and 35% for FY2026 onwards was announced effective 1 January 2025. Kina's Deferred taxes were therefore re-measured as at 31 December 2025 to the new rate in line with IFRS to reflect the change. This has resulted in a decrease in deferred tax asset of PGK 5.5m and a corresponding exceptional tax expense of PGK 5.5m included in the statutory net profit after tax for 31 December 2025.

## Economic Outlook

**PNG enters 2026 with growth sustained by the continued spike in historic gold prices and steady non-resource momentum from cocoa, coffee and oil palm.**

**While the much-anticipated Final Investment Decisions for the Papua and Pasca LNG projects moves closer, macroeconomic policy remains anchored by the continued policy reforms for exchange rate convertibility to support the continued strong consumer demand in the retail and wholesale sectors.**

The PNG economy is set to grow by 4% in 2026, which is comparable to regional growth. The non-resources sector will be boosted by increased production volumes of cocoa and copra oil, while the continued reduction in waiting times for FX import orders will continue supporting the Wholesale and Retail sectors.

The resources sector will also continue to grow as strong gold prices provide good incentive for the Porgera, Ok Tedi and Lihir gold mines. Gold prices look set to continue rising with geo-political tensions continue strong demand for the safe-haven asset.

Inflation was largely contained in 2025 at 4% but is expected to creep up in 2026 due to the continued currency depreciation. With the weakness of the US dollar, this will see the Australian dollar appreciate, which by extension will see a fall in the PGK/AUD exchange rate.

While the global oil price continues to be subdued with ample supply, forecasted inflation in PNG's major trading partners will be passed through to the domestic economy. In the medium-term, the Government forecasts inflation at 5%.

As the fiscal policy settings continue its budget-deficit reduction towards a balanced 2027 budget, monetary policy settings remain anchored against the exchange rate depreciation to clear import orders and establish a foundation for future export competitiveness. The Bank of PNG has also hinted towards revamping the current exchange rate system, from a bilateral PGK/USD rate to a 'trade-weighted' basket of currencies to manage the PNG Kina. While still in its infancy, there is a growing expectation that this reform may be a reality in the not-to-distant future.

In terms of start dates for the most advanced of the LNG projects, the Total-led Papua LNG has commenced preparations to host a landowner development forum. This is a major pre-requisite under PNG resource laws for a project license to be awarded and proceed to a Final Investment Decision (FID). If managed correctly and progressed to the FID, this would catalyse multi-year investment flows into construction, transport, ports, power/fuels and other sectors.

While medium-term prospects are keeping businesses interested in pushing through, this optimism will be balanced with short-term caution from external stakeholders, as PNG was added to the Financial Action Taskforce (FATF) Grey List on February 13, 2026. This places the country under increased monitoring regarding its AML and CTF frameworks.

Notwithstanding this, the current operating environment points to continued steady demand in wholesale/retail, agribusiness, construction and logistics, which will keep credit and FX demand relatively stable heading into the busy 2027 election period.

# 1.1 Disclosure and Context

## Financial reporting

The statutory result for the twelve months to 31 December 2025 was a consolidated Net Profit After Tax of PGK 120.7m. This includes results from the combined operations of Kina Securities Limited and its subsidiaries.

The results presented in this report have been presented on a statutory basis.

## Future performance. Forward looking statements

The information in this document is for general information only. To the extent that certain statements contained in this document may constitute “forward-looking statements” or statements about “future matters”, the information reflects Kina’s intent, belief or expectations at the date of this document. Subject to any continuing obligations under applicable law or any relevant listing rules of the Australian Securities Exchange (**ASX**) or PNG’s National Stock Exchange (**PNGX**), Kina disclaims any obligation or undertaking to disseminate any updates or revisions to this information over time. Any forward-looking statements, including projections, guidance on future revenues, earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Kina’s actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements.

## Rounding

All amounts in this report have been rounded to the nearest million Kina (**PGK**) (PNG’s currency) unless otherwise stated.

## 1.2 Financial results for the full year-ended 31 December 2025

### 1.2.1 Statutory Results

	Full Year Ended		Change (%)
	Dec-25 PGK'000	Dec-24 PGK'000	
<b>Continuing Operations</b>			
Interest income on investments	73,069	50,883	44%
Interest income on loans	272,524	223,586	22%
Interest expense	(77,855)	(52,246)	49%
<b>Net interest income</b>	<b>267,738</b>	<b>222,223</b>	<b>20%</b>
Fee and commission income	176,745	161,683	9%
Fee and commission expense	-	(32)	(100%)
<b>Net fee and commission income</b>	<b>176,745</b>	<b>161,651</b>	<b>9%</b>
Foreign exchange income	100,320	85,970	17%
Dividend income	936	944	(1%)
Net (losses)/gain from financial assets through profit and loss	(1,595)	7,913	(120%)
Other operating income	1,383	6,198	(78%)
<b>Non-interest income</b>	<b>277,789</b>	<b>262,676</b>	<b>6%</b>
<b>Operating income before impairment losses and operating expenses</b>	<b>545,527</b>	<b>484,899</b>	<b>13%</b>
Impairment losses	(38,970)	(18,151)	115%
Other operating expenses	(298,300)	(286,638)	4%
<b>Profit before tax</b>	<b>208,257</b>	<b>180,110</b>	<b>16%</b>
Income tax expense	(87,526)	(79,814)	10%
<b>Net Profit for the full year attributable to the equity holder of the Company</b>	<b>120,731</b>	<b>100,296</b>	<b>20%</b>
Other comprehensive income	-	-	-
<b>Total comprehensive income for the full year attributable to the equity holder of the Company</b>	<b>120,731</b>	<b>100,296</b>	<b>20%</b>

The above information has been extracted from the unaudited consolidated financial statements of Kina Securities Limited for the year-ended 31 December 2025, and where applicable, calculated by reference to the 31 December 2024 audited financial statements. The above information is being audited at the time of this report.

### 1.2.2 Dividends

	Dec-25	Dec-24
Earnings per share (PNG Toea)	41.8	34.9
Earnings per share (A cents)	14.0	13.5
Dividend per share (PGK toea)	31.9	26.1
Dividends per share (A cents)	11.0	10.0

### 1.2.3 Lending

PGK Millions	Full Year Ended		
	Dec-25	Dec-24	Change %
Business Loan	2,279.8	1,941.8	17%
Home Loan	628.8	607.5	4%
Investment Property Loan	125.8	113.0	11%
Overdraft	117.9	98.9	19%
Asset Financing	113.3	97.9	16%
Personal Loan	69.1	85.7	(19%)
Credit Cards	6.3	6.1	5%
<b>Gross</b>	<b>3,341.0</b>	<b>2,950.9</b>	<b>13%</b>
Provision	(88.1)	(67.3)	31%
<b>Total</b>	<b>3,252.9</b>	<b>2,883.6</b>	<b>13%</b>

Overall lending increased by 13% compared to PCP, reaching PGK 3.3 billion. This growth includes a notable combined increase of PGK 359.3 million in the Business Loans and Home Loan portfolios. Business lending growth, fulfilling business expansion and investment needs, and targeting a greater share of wallet. KSL's customer centric approach has driven the steady uplift across the loan book, underlining Kina's deepening relevance as a trusted banking partner. Home lending delivered a resilient performance +4% as strong sales activity ensured stable growth during the year.

Personal lending was deliberately slowed as the bank tightened risk settings after prior year write offs, with a renewed focus on higher quality segments, stronger credit assessment, and improved collections to protect asset quality.

	Dec-25		Dec-24	
	PGK million	% of total loans	PGK million	% of total loans
Agriculture, Forestry & Fishing	36.2	1.1%	11.0	0.4%
Mining	3.8	0.1%	11.9	0.4%
Manufacturing	29.0	0.9%	24.8	0.8%
Electrical, Gas & Water	14.0	0.4%	12.2	0.4%
Building and Construction	300.3	9.0%	250.7	8.5%
Wholesale & Retail	939.4	28.1%	846.9	28.7%
Hotel & Restaurants	131.3	3.9%	95.6	3.2%
Transport & Storage	109.6	3.3%	76.4	2.6%
Financial Intermediation	2.1	0.1%	0.6	0.0%
Real Estate/Renting/Business Services	486.2	14.6%	425.6	14.4%
Equipment Hire	24.5	0.7%	20.9	0.7%
Other Business	396.1	11.9%	319.6	10.8%
Personal Banking	769.0	23.0%	758.7	25.7%
Post & Telecommunication	99.5	3.0%	96.7	3.3%
<b>Gross Loans</b>	<b>3,341.0</b>	<b>100.0%</b>	<b>2,950.9</b>	<b>100.0%</b>

The Wholesale & Retail business remain the dominant industry sectors, accounting for a substantial 28.1% of the total loan book. This sector's prominence underscores its critical role in the overall economic landscape.

Lending growth has also been strongly supported by increased exposure to several priority sectors. In particular, the Personal Banking Real Estate segment and the Building and Construction sector have contributed strongly to loan volume, reflecting both sustained customer demand and targeted strategic focus. Together, these sectors now account for 46.6% of the total loan portfolio, underscoring the bank's diversified and resilient lending strategy and its commitment to disciplined growth in high-quality, economically significant segments.

## 1.2.4 Funding

PGK Millions	Full Year Ended		
	Dec-25	Dec-24	Change (%)
Fixed Term	1,475.5	1,429.9	3.2%
Cash Management Accounts	381.7	349.9	9.1%
Current Accounts	2,097.2	2,008.5	4.4%
Savings Accounts	621.2	563.7	10.2%
<b>Total</b>	<b>4,575.6</b>	<b>4,352.0</b>	<b>5.1%</b>

Deposits experienced marginal growth of 5.1%, to PGK 4.6b. The nominal growth in total funds was driven by broad-based increases across all major deposit categories. Notably, both Cash Management Accounts (CMAs) and Fixed Deposits recorded solid inflows, supported by the bank's competitive rate offerings throughout the year. While these higher rates successfully attracted and retained customer balances, they also caused some increase in the overall cost of funds. The deposit balance sheet growth reflects continued customer confidence and disciplined liquidity management, positioning the bank to support future lending and investment opportunities.

PGK Millions	Full Year Ended		
	Dec-25	Dec-24	Change (%)
On Call	3,128.2	2,971.6	5.3%
1 month	353.3	325.4	8.6%
2 months	170.1	269.6	(36.9%)
3 months	83.9	98.4	(14.7%)
6 months	270.5	205.0	31.9%
12 months	538.5	406.1	32.6%
24 months	31.1	76.0	(59.2%)
<b>Total</b>	<b>4,575.6</b>	<b>4,352.0</b>	<b>5.1%</b>

The bank delivered a stronger balance sheet funding position over the year, anchored by a purposeful allocation between On-Call deposits and 12-month term deposits. This mix reflects both the favourable liquidity conditions present in the domestic market and Management's disciplined approach to funding optimisation. The strategy ensured a stable funding base while preserving the flexibility needed to adjust quickly to changing market conditions.

With this solid foundation, the Bank was able to deploy liquidity more efficiently, resulting in the Loan-to-Deposit ratio (LDR) rising to 71%. This increase signals a proactive and deliberate utilisation of liquidity to support high-quality lending growth. Importantly, the Bank continues to maintain a funding structure capable of meeting customer needs while positioning itself to capitalise on emerging opportunities across key segments.

## 1.2.5 Net Interest Margin

The bank delivered an improvement in its Net Interest Margin during the year with a 100bps increase in NIM to 6.8%, supported by several key drivers:

- Loan yields increased on a nominal basis following the adjustment of interest income accompanied by a significant increase in loan provisions in accordance with IFRS 9, ensuring a more accurate reflection of portfolio performance. The disclosure implications relative to prior years, in respect of the change in ECL provision levels and the related interest income are subject to ongoing audit review.
- Additional uplift came from higher yield rates on Treasury Bills, contributing positively to overall asset returns.
- NIM gains were partially offset by an increase in the cost of funds, a deliberate strategy aimed at strengthening the bank's funding base and safeguarding long-term financial resilience.

Collectively, these factors contributed to a more robust and sustainable margin profile, reinforcing the Bank's capacity to support continued growth.

PGK Million	Full Year Ended		
	Dec-25	Dec-24	Change (%)
Net interest income	271.5	224.7	20.8%
Interest Income Loans	272.5	223.6	21.9%
<i>Avg Interest Yield Loans</i>	8.9%	8.2%	
Interest Income Investments	73.1	50.9	43.6%
<i>Avg Interest Yield Investments</i>	7.9%	4.5%	
Interest Expense	(74.1)	(49.8)	48.8%
<i>Avg Cost of Funds</i>	(1.7%)	(1.1%)	
Average interest earning assets	3,996.0	3,847.5	3.9%
Average interest-bearing liabilities	4,463.8	4,348.3	2.7%
Net interest spread (loans)	7.2%	7.1%	
Net interest spread (investments)	6.2%	3.4%	
Net Interest Margin	6.8%	5.8%	

### 1.2.6 Non-Interest Income

PGK Millions	Full Year Ended		
	Dec-25	Dec-24	Change (%)
Banking			
Foreign exchange income	100.4	85.7	17%
Fees and commissions*	129.8	118.0	10%
Other income/(loss)	(0.2)	12.0	(102%)
<b>Total</b>	<b>230.0</b>	<b>215.7</b>	<b>7%</b>
Wealth Management			
Fund Administration	26.2	27.4	(4%)
Investment Management	12.5	11.3	11%
Shares	5.5	2.4	129%
Foreign exchange income/(loss)	(0.1)	0.5	(120%)
Other	3.7	5.4	(31%)
<b>Total</b>	<b>47.8</b>	<b>47.0</b>	<b>2%</b>
<b>Total</b>	<b>277.8</b>	<b>262.7</b>	<b>6%</b>

\*see further analysis below

Overall non-interest income grew marginally by 6% to PGK 277.8m, attributed largely to an uplift in foreign exchange income together with fees and commissions.

Foreign Exchange income increased by 17% to PGK 100.3m, driven by favourable market conditions and stronger client activity. The uplift reflects the impact of higher global commodity prices, which supported increased FX flows from key export sectors, as well as continued strength in export volumes across the broader economy. In addition, the ongoing development and maturation of the interbank FX market enhanced price determination and liquidity, enabling the Bank to capture more opportunities and deliver improved trading performance.

Income from digital channels and partnerships grew by 13% for the year contributing to the increase in fees and commission income. This performance was underpinned by broad-based momentum across key fee streams, including an 19% increase in merchant acquiring fees (inclusive of e-commerce transactions), a 32% uplift in internet banking fees, and a 17% rise in mobile banking fees. Visa-related income moderated to 6% growth; however, the Bank is actively pursuing initiatives to restore a higher growth trajectory anticipated under the strategic partnership established with Visa in 2025.

There was marginal growth in the Wealth business by 2% to K 47.8m compared to the PCP. Driven mainly by increased fees and volume in Funds under Management in corporate and retail clientele.

Other income included foreign exchange valuation gains or losses at period end.

The table below shows the increase in fees and commissions (banking).

Banking - PGK millions	Dec-25	Dec-24	Change (PGK)	Change (%)
Merchant fees	42.2	35.6	6.6	19%
VISA Fees	39.0	36.9	2.1	6%
Mobile Banking fees	6.2	5.3	0.9	17%
Internet Banking fees	4.1	3.1	1.0	32%
<b>Total digital</b>	<b>91.5</b>	<b>80.9</b>	<b>10.6</b>	<b>13%</b>
Bank fees and commission income	22.1	22.6	(0.5)	(2%)
Loan fees	8.4	7.2	1.2	17%
ATM fees	7.5	7.3	0.2	3%
<b>Total other</b>	<b>38.0</b>	<b>37.1</b>	<b>0.9</b>	<b>2%</b>
<b>Total fees and commissions</b>	<b>129.5</b>	<b>118.0</b>	<b>11.5</b>	<b>10%</b>

### 1.2.7 Operating Expenses

Total operating cost as at 31 December 2025 was PGK 298.3m, an overall increase of 4%. Staff, administrative and occupancy costs contributed 39%, 38% and 17% respectively to total operating costs for the year.

Figures in PGK Million	Full Year ended		
	Dec-25	Dec-24	Change (%)
Administration	117.0	111.5	5%
Staff	114.8	102.9	12%
Occupancy	49.8	43.1	16%
Other Operating expenses	11.2	24.9	(55%)
Board of Directors cost	2.3	2.9	(21%)
Investor Relationship	3.2	1.3	146%
<b>Total operating expenses</b>	<b>298.3</b>	<b>286.6</b>	<b>4%</b>

The Cost to Income ratio declined to 55% from 59% in PCP, reflecting in part, one-off costs that impacted 1H2024. Despite this, Management have employed sensible budgetary controls, focused investment in uplifting capabilities and early work in operating efficiencies including digitisation. Cost inflation was contained despite the depreciation of the PGK against USD and AUD (6% and 13% respectively) impacting the costs of technology, consultancy, and some staff costs.

Key areas of investment include:

- Uplifting senior leadership and specialist capability in areas including strategy, risk, technology, digital innovation and data.
- Information technology and network resilience.
- Uplifting AML and CTF capabilities.
- Specialist consulting in areas including Risk, Credit and Strategy.

As is normal, Kina's audited accounts will be released subsequent to this results announcement. Discussions are ongoing with the auditor regarding the capitalisation treatment of two projects in relation to AML/CTF capability uplift and Enterprise Resource Planning. These costs have already been incurred, and Kina's results currently reflect their capitalisation, with amortisation applied over a defined period. The auditor is assessing whether this expenditure has been appropriately capitalised or should instead be expensed in the current period. If it is determined that the costs should be expensed, the impact on net profit after tax could be up to K6.2m, offset in future years by a reduction in amortisation expense. In all scenarios, underlying performance of the business remains unchanged.

## 1.2.8 Asset Quality and Loan Impairment

Information about how risk is quantified and managed for potential impairment of Kina's loan assets requires robust risk management and model application. Kina has an IFRS9 compliant model which evaluates how economic and credit changes will affect its loan portfolio under a variety of scenarios including the application of critical estimates and judgements.

The Probability of Default, Exposure at Default and the Loss Given Default metrics are used in the computation of ECL across three distinct portfolios of assets:

- Loans
- Overdrafts and
- Credit Cards

Each portfolio is assessed by analysing the default stages, level of security (the collateral held by the Bank) and various economic and scenario analysis to formulate the ECL and level of provisioning.

Kina has enhanced its provisioning model to ensure timely and adequate provisioning for credit losses. During 2025, the Group updated its method for recognising interest on credit-impaired (Stage 3) loans to fully align with IFRS 9. Instead of accruing interest on the gross amount of non-performing loans and subsequently suspending or manually reversing interest, the Group now applies the effective interest rate to the amortised cost (gross loan balance less loss allowance). This eliminates routine write-backs and ensures consistency between interest recognition and the ECL model, which is now run on gross exposures across all stages. The revision does not affect regulatory asset-quality classifications and suspended-interest reporting is no longer required under the updated ECL approach.

### Asset Quality

Figures in PGK Million	Full year ended			
	Dec-25	% of GLA	Dec-24	% of GLA
Loan impairment expense	39.0	1.2%	19.2	0.7%
Non-performing loans and loans in arrears	256.2	7.7%	238.1	8.1%
- 90-day arrears	42.0	1.3%	45.5	1.5%
- Gross non-performing loans (> 180 days)	214.1	6.4%	192.6	6.5%
Total provision	(88.1)	(2.6%)	(67.3)	(2.3%)

Provisions have increased K39.0m over the year. K19.3m of this increase is attributable to organic growth in the loan book. In addition, as part of our IFRS9 maturity review, we recognised a one-off K19.7m increase in loan provisions to address a number of aged, non-performing loans. This review also resulted in a re-classification of interest income, as required under IFRS9, including a one-off non-material re-allocation of income from prior periods into the current reporting period.

Non-performing loans improved by 40bps to 7.7%, with reductions in both the less than 90 days and greater than 180 days categories. Gross Loans and Advances (GLA) coverage currently equates to 2.6% and provides a solid buffer against potential credit losses, underscoring the Bank's disciplined approach to credit risk management and portfolio resilience.

### Loan Impairment expense

Figures in PGK'000	Dec-25	Dec-24	Change (PGK)	Change (%)
Provision Expense	39,016	18,524	20,492	110.6%
Net Write-offs	(1,209)	(572)	(637)	111.4%
<b>Provision on loans</b>	<b>37,807</b>	<b>17,952</b>	<b>19,855</b>	<b>110.6%</b>
Trade Debtors	1,156	1,212	(56)	(4.6%)
<b>Total impairment (loans &amp; advances)</b>	<b>38,963</b>	<b>19,164</b>	<b>19,799</b>	<b>103.3%</b>
Provision on GIS*	7	(1,013)	1,020	(100.7%)
<b>Total Impairment Expense</b>	<b>38,970</b>	<b>18,151</b>	<b>20,819</b>	<b>114.7%</b>

\* see note below on investments

## Investments

In FY2020, as part of the BPNG's market intervention and quantitative easing requirements due to COVID-19, Kina (together with other financial institutions) took on greater placements of Governments Inscribed Stock (GIS) issued by the PNG Government. Kina invested a total of PGK 100m with terms greater than 5 years. In accordance with IFRS 9 requirements, the Company was required to assess the ECL on these investments, thereby resulting in a marginal impact to the Profit and Loss of PGK 7k.

An analysis of the loan portfolio and loan provisioning based on enhancement ECL model is set out as follows:

Loans and advances to customers	Stage 1 12 Month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI	Total Dec 2025	Total Dec 2024
Overdraft	77.1	18.7	22.9	-	118.6	98.9
Credit Cards	4.2	0.4	2.1	-	6.7	6.1
Loans	2,761.7	195.1	249.9	9.0	3,215.7	2,845.9
<b>Total Gross Carrying Amount</b>	<b>2,843.0</b>	<b>214.2</b>	<b>274.8</b>	<b>9.0</b>	<b>3,341.0</b>	<b>2,950.9</b>
Loss Allowance	(23.1)	(8.5)	(56.5)	-	(88.1)	(67.3)
<b>Carrying Amount</b>	<b>2,819.9</b>	<b>205.7</b>	<b>218.3</b>	<b>9.0</b>	<b>3,252.9</b>	<b>2,883.6</b>

The IFRS 9 compliant model establishes a three stage impairment criteria based on changes to credit quality since the date of initial recognition to the reporting date, with 92.3% of Kina Bank's overall loan book representing performing loans.

### 1.2.9 Capital Adequacy

BPNG Prudential Standard 1/2003 Capital Adequacy prescribes ranges of overall capital adequacy ratios and leverage capital ratios to measure whether a bank is adequately capitalised. Kina exceeds the existing BPNG prudential capital adequacy requirements and qualifies as 'well capitalised' as at 31 December 2025.

Kina is an authorised institution licensed by the BPNG to accept or collect deposits from the public and lend to the public and is required to comply with the prudential standards issued by BPNG. The reported ratios are at the consolidated level of the Group.

Capital ratios at the end of December 2024 remained above BPNG's requirement, with combined tier 1 (T1) and tier 2 (T2) capital equal to 17.1% of Risk-Weighted Assets, compared with the regulatory minimum of 12%. The Bank also has maintained leverage ratio at 7.7%, above BPNG's minimum requirement of 6%.

Regulatory Capital Ratios	Dec-25	Dec-24
<b>RWA</b>	<b>3,263.6</b>	<b>2,854.9</b>
Capital: T1 (PGK'm)	398.1	387.4
Capital: T2 (PGK'm)	161.5	136.0
Capital: T1 + T2 (PGK'm)	559.6	523.4
Capital adequacy Ratio: T1	12.2%	13.6%
Capital adequacy: T2	4.9%	4.8%
<b>Capital adequacy: T1 + T2</b>	<b>17.1%</b>	<b>18.3%</b>
<b>Leverage Ratio</b>	<b>7.7%</b>	<b>7.9%</b>

The objective of Kina's Capital Management Plan is to maintain a strong, profitable financial risk profile and capacity to meet financial commitments. Capital adequacy and liquidity ratios are monitored against internal targets and triggers that are above minimum capital requirements set by the Board. These are reviewed on a monthly basis by the Asset and Liability Committee.

## 2. Consolidated Financial Statements

### 2.1 Statement of Comprehensive Income - consolidated

	Full Year Ended		Change (%)
	Dec-25 PGK'000	Dec-24 PGK'000	
<b>Continuing Operations</b>			
Interest income on investments	73,069	50,883	44%
Interest income on loans	272,524	223,586	22%
Interest expense	(77,855)	(52,246)	49%
<b>Net interest income</b>	<b>267,738</b>	<b>222,223</b>	<b>20%</b>
Fee and commission income	176,745	161,683	9%
Fee and commission expense	-	(32)	(100%)
<b>Net fee and commission income</b>	<b>176,745</b>	<b>161,651</b>	<b>9%</b>
Foreign exchange income	100,320	85,970	17%
Dividend income	936	944	(1%)
Net (losses)/gain from financial assets through profit and loss	(1,595)	7,913	(120%)
Other operating income	1,383	6,198	(78%)
<b>Non-interest income</b>	<b>277,789</b>	<b>262,676</b>	<b>6%</b>
<b>Operating income before impairment losses and operating expenses</b>	<b>545,527</b>	<b>484,899</b>	<b>13%</b>
Impairment losses	(38,970)	(18,151)	115%
Other operating expenses	(298,300)	(286,638)	4%
<b>Profit before tax</b>	<b>208,257</b>	<b>180,110</b>	<b>16%</b>
Income tax expense	(87,526)	(79,814)	10%
<b>Net Profit for the full year attributable to the equity holder of the Company</b>	<b>120,731</b>	<b>100,296</b>	<b>20%</b>
Other comprehensive income	-	-	-
<b>Total comprehensive income for the full year attributable to the equity holder of the Company</b>	<b>120,731</b>	<b>100,296</b>	<b>20%</b>

The above information has been extracted from the unaudited consolidated financial statements of Kina Securities Limited for the year-ended 31 December 2025, and where applicable, calculated by reference to the 31 December 2024 audited financial statements. The above information is being audited at the time of this report.

## 2.2 Statement of financial position - consolidated

	Dec-25 PGK'000	Dec-24 PGK'000	Change %
<b>Assets</b>			
Cash and due from banks	366,287	529,810	(31%)
Central bank bills	906,411	762,088	19%
Regulatory deposits	426,355	522,784	(18%)
Financial assets at fair value through profit and loss	61,905	41,656	49%
Loans and advances to customers	3,252,908	2,883,500	13%
Investments in government inscribed stocks	93,833	93,331	1%
Deferred tax assets	40,190	36,803	9%
Property, plant and equipment	79,280	69,303	14%
Goodwill	92,786	92,786	0%
Intangible assets	59,224	35,893	65%
Other assets	170,081	148,874	14%
<b>Total Assets</b>	<b>5,549,260</b>	<b>5,216,828</b>	<b>6%</b>
<b>Liabilities</b>			
Due to other banks	(5,867)	(135)	4246%
Due to customers	(4,575,590)	(4,351,990)	5%
Current income tax liabilities	(18,949)	(10,329)	83%
Employee provisions	(17,978)	(14,472)	24%
Lease Liabilities	(43,146)	(31,484)	37%
Other liabilities	(163,714)	(142,224)	15%
<b>Total Liabilities</b>	<b>(4,825,244)</b>	<b>(4,550,634)</b>	<b>6%</b>
<b>Net Assets</b>	<b>724,016</b>	<b>666,194</b>	<b>9%</b>
<b>Share capital and reserves</b>			
Issued and fully paid ordinary shares	(414,728)	(397,254)	4%
Share-based payment reserve	(2,702)	(1,878)	44%
Retained earnings	(306,586)	(267,062)	15%
<b>Total capital and reserves</b>	<b>(724,016)</b>	<b>(666,194)</b>	<b>9%</b>

The above information has been extracted from the unaudited consolidated financial statements of Kina Securities Limited for the year-ended 31 December 2025, and where applicable, calculated by reference to the 31 December 2024 audited financial statements. The above information is being audited at the time of this report.

## 2.3 Statement of changes in equity - consolidated

	Share Capital	Share based payment Reserve	Retained Earnings	Total
	PGK'000	PGK'000	PGK'000	PGK'000
<b>Balance as at 31 December 2023</b>	<b>394,693</b>	<b>2,776</b>	<b>242,854</b>	<b>640,324</b>
Profit for the period	-	-	100,296	100,296
Additional shares issued	2,561	-	-	2,561
Other comprehensive income	-	-	-	-
Contributions by and distributions to owners	-	-	-	-
Employee share scheme - vested rights	-	(3,738)	-	(3,738)
Employee share scheme - value of employee services	-	2,674	-	2,674
Deferred tax asset on share-based payment	-	166	-	166
Dividend paid	-	-	(76,087)	(76,088)
<b>Balance as at 31 December 2024</b>	<b>397,254</b>	<b>1,878</b>	<b>267,062</b>	<b>666,194</b>
Profit for the period	-	-	120,731	120,731
Additional shares issued	17,474	-	-	17,474
Other comprehensive income	-	-	-	-
Contributions by and distributions to owners	-	-	-	-
Employee share scheme - vested rights	-	(3,246)	-	(3,246)
Employee share scheme - value of employee services	-	5,016	-	5,016
Deferred tax asset on share-based payment	-	(946)	-	(946)
Dividend paid	-	-	(81,207)	(81,207)
<b>Balance as at 31 December 2025</b>	<b>414,728</b>	<b>2,702</b>	<b>306,586</b>	<b>724,016</b>

The above information has been extracted from the unaudited consolidated financial statements of Kina Securities Limited for the year-ended 31 December 2025, and where applicable, calculated by reference to the 31 December 2024 audited financial statements. The above information is being audited at the time of this report.

## 2.4 Statement of Cashflow - consolidated

	Dec-25 PGK'000	Dec-24 PGK'000
<b>Cash flows from operating activities</b>		
Interest received	351,037	265,208
Interest paid	(65,789)	(50,630)
Foreign exchange gain	100,320	85,970
Dividend received	936	944
Fee, commission and other income received	177,857	154,294
Fee and commission expense paid	-	(32)
Net trading and other operating income received	1,358	6,043
Recoveries on loans previously written-off	1,209	7,998
Cash payments to employees and suppliers	(309,503)	(284,929)
Income tax paid	(81,591)	(82,438)
<b>Cash flows from operating profits before changes in operating assets</b>	<b>175,836</b>	<b>102,428</b>
<b>Changes in operating assets and liabilities:</b>		
- net (increase)/ decrease in regulatory deposits	96,428	(89,510)
- net increase in loans and advances to customers	(370,254)	(320,706)
- net (increase)/ decrease in other assets	(21,206)	(19,045)
- net increase in due to customers	211,533	5,804
- net increase in due to other banks	5,732	(13,777)
- net increase/ (decrease) in other liabilities	(10,999)	23,933
<b>Net cash flows from operating activities</b>	<b>87,070</b>	<b>(310,873)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, equipment and software	(9,204)	(27,334)
Purchase of Convertible Note	-	-
Proceeds from sale of property and equipment	24	154
Proceeds from/(Purchase of) investment securities	(149,670)	548,639
<b>Net cash flows from investing activities</b>	<b>(158,851)</b>	<b>521,460</b>
<b>Cash flows from financing activities</b>		
Dividend payment	(81,145)	(76,088)
Cashflows from lease liabilities	(18,209)	(12,449)
Issuance of new shares	17,473	2,561
<b>Net cash flow from financing activities</b>	<b>(100,101)</b>	<b>(85,976)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(171,882)</b>	<b>124,611</b>
Effect of changes in the foreign exchange rates on cash and cash equivalents	6,898	8,359
<b>Cash and cash equivalents at beginning of period</b>	<b>529,810</b>	<b>396,840</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>366,287</b>	<b>529,810</b>

The above information has been extracted from the unaudited consolidated financial statements of Kina Securities Limited for the year-ended 31 December 2025, and where applicable, calculated by reference to the 31 December 2024 audited financial statements. The above information is being audited at the time of this report.

## 2.5 Basis of Preparation

The accounting policies, estimation methods and measurement basis used in the preparation of the consolidated financial statements for the full year ended 31 December 2025 are consistent with those used in preparing the 31 December 2024 financial statements of the Group.

## 2.6 Non-Cash Financing and Investing Activities

There are no financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flow.

## 2.7 Reconciliation of Cash and Cash Equivalents

	Dec-25 PGK'000	Dec-24 PGK'000
Cash and due from other banks	366,287	529,810
<b>Total cash at the end of the period</b>	<b>366,287</b>	<b>529,810</b>

## 2.8 Ratios

	Dec-25	Dec-24
<b>Profit before tax / Operating Income</b>		
Consolidated profit from ordinary activities before tax as a percentage of revenue	38.2%	37.1%
<b>Profit after tax / equity interests</b>		
Consolidated net profit from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable)	16.7%	15.1%

## 2.9 Earnings Per Share - Statutory

Details of basic and diluted earnings per share (**EPS**) reported separately in accordance with IAS 33: *Earnings Per Share* are as follows:

	Dec-25	Dec-24
Calculation of the following in accordance with IAS33		
(a) Basic EPS	41.76	34.90
(b) Diluted EPS	41.53	34.69
(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	289,125,572	287,414,404

\*Weighted average calculated as the average of shares outstanding at the beginning of the reporting period and at the end of the reporting period.

## 2.10 Details of aggregate share of profits (losses) of associated entity

The company has no significant investment in associates. There are also no material interests in entities that are not controlled entities.

## 2.11 Issued Shares

The total number of shares at 31 December 2025 was 292,965,754 (31 December 2024: 287,949,279)

	Total Number Ordinary shares	Number Quoted Ordinary shares
Changes during the period ended 31 December 2024		
Opening Balance of number of shares	287,949,279	286,935,900
Increase through issue of shares	5,016,475	1,013,379
<b>Closing Balance of number of shares 31 December 2025</b>	<b>292,965,754</b>	<b>287,949,279</b>

## 2.12 Segment Reporting

	Banking & Finance	Wealth Management	Total
31 December 2025	PGK'000	PGK'000	PGK'000
Total external income	496,766	48,761	545,527
Total external expense	(319,680)	(17,590)	(337,270)
<b>Profit before inter-segment revenue and expenses</b>	<b>177,086</b>	<b>31,171</b>	<b>208,257</b>
Inter-segment income	3,881	-	3,881
Inter-segment expense	-	(3,881)	(3,881)
<b>Profit before tax</b>	<b>180,967</b>	<b>27,290</b>	<b>208,257</b>
Income tax expense	(79,967)	(7,559)	(87,526)
<b>Profit after tax</b>	<b>101,000</b>	<b>19,731</b>	<b>120,731</b>
Segment assets	5,530,926	18,334	5,549,260
Segment liabilities	(4,819,281)	(5,963)	(4,825,244)
<b>Net assets</b>	<b>711,645</b>	<b>12,371</b>	<b>724,016</b>
Capital expenditure	(9,204)	-	(9,204)
Depreciation	(32,498)	-	(32,498)
	Banking & Finance	Wealth Management	Total
31 December 2024	PGK'000	PGK'000	PGK'000
Total external income	436,977	47,922	484,899
Total external expense	(290,934)	(13,855)	(304,789)
<b>Profit before inter-segment revenue and expenses</b>	<b>146,043</b>	<b>34,067</b>	<b>180,110</b>
Inter-segment income	2,077	-	2,077
Inter-segment expense	-	(2,077)	(2,077)
<b>Profit before tax</b>	<b>148,120</b>	<b>31,990</b>	<b>180,110</b>
Income tax expense	(71,969)	(7,845)	(79,814)
<b>Profit after tax</b>	<b>76,151</b>	<b>24,145</b>	<b>100,296</b>
Segment assets	5,195,754	21,074	5,216,828
Segment liabilities	(4,545,687)	(4,947)	(4,550,634)
<b>Net assets</b>	<b>650,067</b>	<b>16,127</b>	<b>666,194</b>
Capital expenditure	(27,334)	-	(27,334)
Depreciation	(31,317)	-	(31,317)

## 2.13 Comparison of Profits

	Dec-25 PGK'000	Dec-24 PGK'000
Consolidated profit from continuing operations after tax attributable to members reported for the full year	120,731	100,296

## 2.14 Contingent Liabilities

The Company is a party to a number of litigations as at 31 December 2025. The consolidated financial statements include provision for any losses where there is reasonable expectation that the litigations will result in a loss to the Company. Litigation matters are not expected to result in a material loss to the Kina Group.

Kina guarantees the performance of customers by issuing bank guarantees to third parties. As at 31 December 2025, these totaled PGK 62.8m (31 December 2024: PGK 60.9m).

### 3. Compliance Statement

1. This report has been prepared in accordance with Australian Accounting Standards Board (**AASB**) Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX and to PNGX.

Identify other standards used: **International Financial Reporting Standards**

2. This report, and the accounts upon which the report is based (if separate), use the same accounting policies
3. This report gives a true and fair view of the matters disclosed (see note 2)
4. This report is based on accounts to which one of the following applies.

**The accounts have been audited**

**The accounts have been subject to review**

**The accounts are in the process of being audited or reviewed**

**The accounts have not yet been audited or reviewed**

5. The entity has a formally constituted audit committee.