



Kina Securities Limited | Half Year Results - 30 June 2020

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Financial Results

Deployed acquired deposits successfully with organic business seeing continued growth.

NPAT up 24% on pcp to PGK 29.3m.


Interim dividend for first half of FY20 AUD 4.0 cents per share or PGK 10.0 toea per share.

Revenue PGK 149.2m up 78%.

Net Interest income up by 76% to PGK80.4m compared to pcp.

Earnings per share 16.8 toea up 17%.

Return on equity 17.8% up 2%.



During the **tough times**, it's the people standing beside you who make the difference.

PRODUCER JELENA TAMATE
SME KINA BANK CUSTOMER

Highlights

Significant progress made on strategic initiatives to deliver growth:

1. Divested Esiloans portfolio to MiBank for K32.5m in line with strategic partnership.
2. Completed tech build to provide MiBank with POS services, ATM interchange, central bank clearance and debit card production.
3. New digital channels delivered strong growth in fee revenue from cards, Internet banking, USSD and eftpos.
4. Announced short-form amalgamation to simplify Group's operating and capital structure.
5. Announced major community partnership with local charity the Kokoda Track Foundation co-funding a new education centre.
6. Piloted digital concierge, digital kiosks and online account opening in branch, significantly modernising banking in PNG.
7. Launched an extensive brand campaign with three prominent PNG influencers, showcasing commitment to SMEs. A significant milestone in Kina's corporate identity.
8. Continued strong culture engagement with the first staff engagement survey achieving a 94% response rate. Results show strong underlying staff satisfaction and commitment to the corporate vision.
9. Took significant socially responsible action to ensure minimal impact of Covid-19 on staff and the business.
10. Delivered on planned gains from ANZ acquisition.

Business Growth

FX income
up 52% to
PGK 28.5m

Total
Deposits at
PGK 2.5bn

Total Net Loans
at PGK 1.42bn

Customer
numbers grew
by 5,968

Funds
Administration up
29% to PGK 3.5m

Revenue from new
digital channels
PGK 7.6m

Every **success** story
requires a partner.

CHEF JULZ HENAO
SME KINA BANK CUSTOMER



Economic Update

Domestic environment sees new macroeconomic challenges, most prominent is Covid-19.

Government announced K5.6 billion Covid-19 economic support package, adding to fiscal pressures.

They also secured US 363.6m assistance from IMF's Covid relief fund.

Major national resource projects such as Papua LNG, P'Nyan LNG and Wafi-Golpu mine cancelled or delayed, reportedly representing up to US\$31 billion investment in PNG.

Capital investment in mining-adjacent sectors and support services also slowed down as a result.

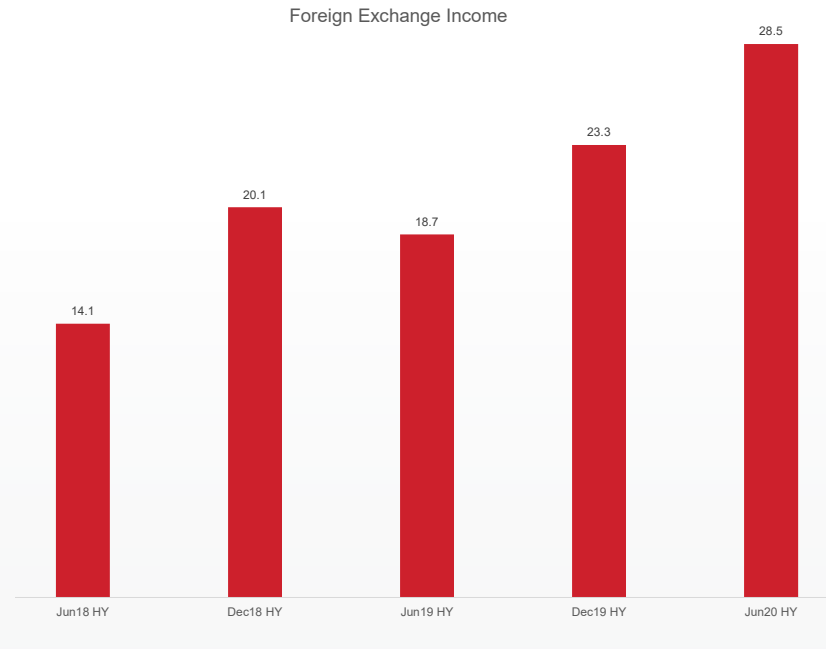
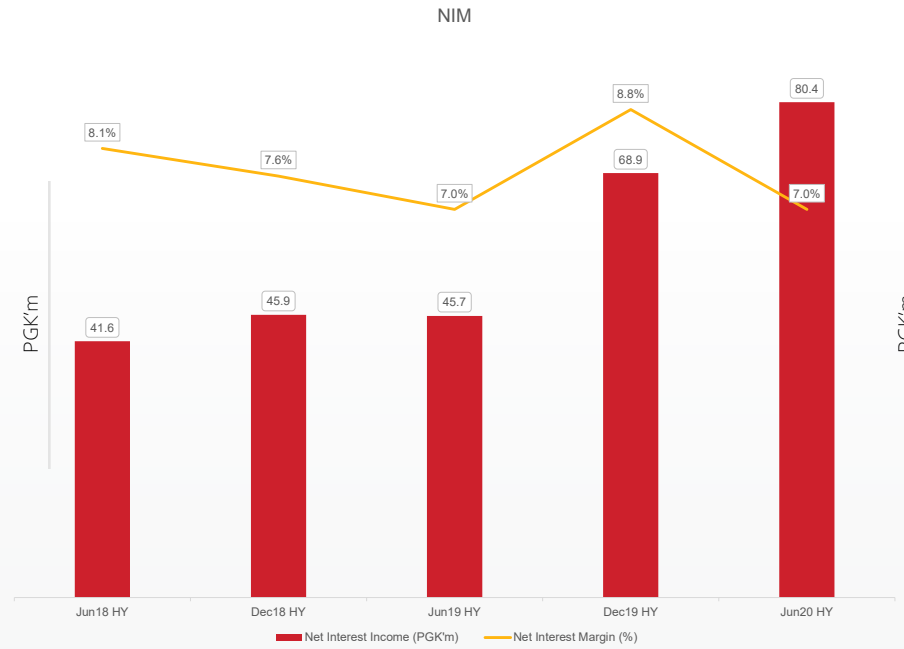
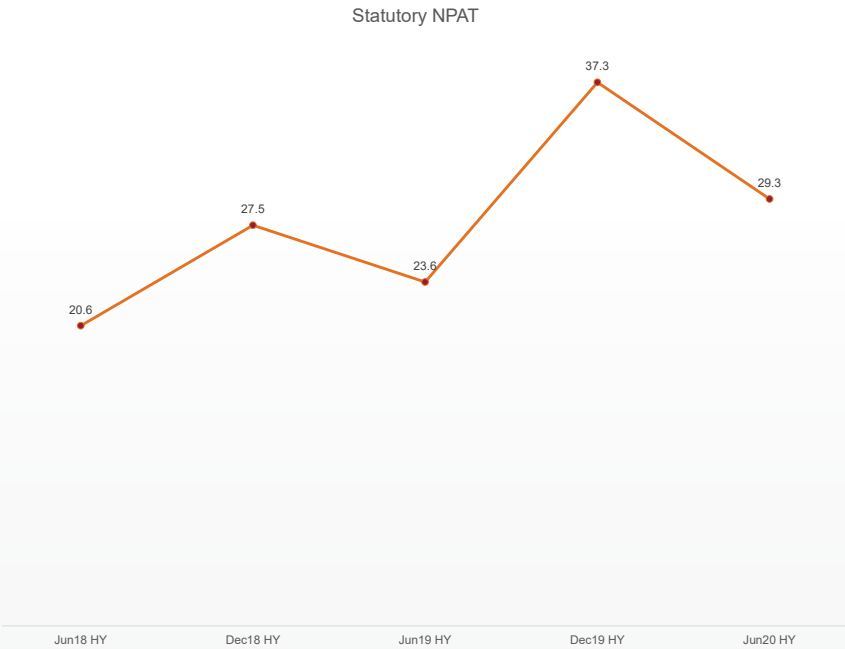
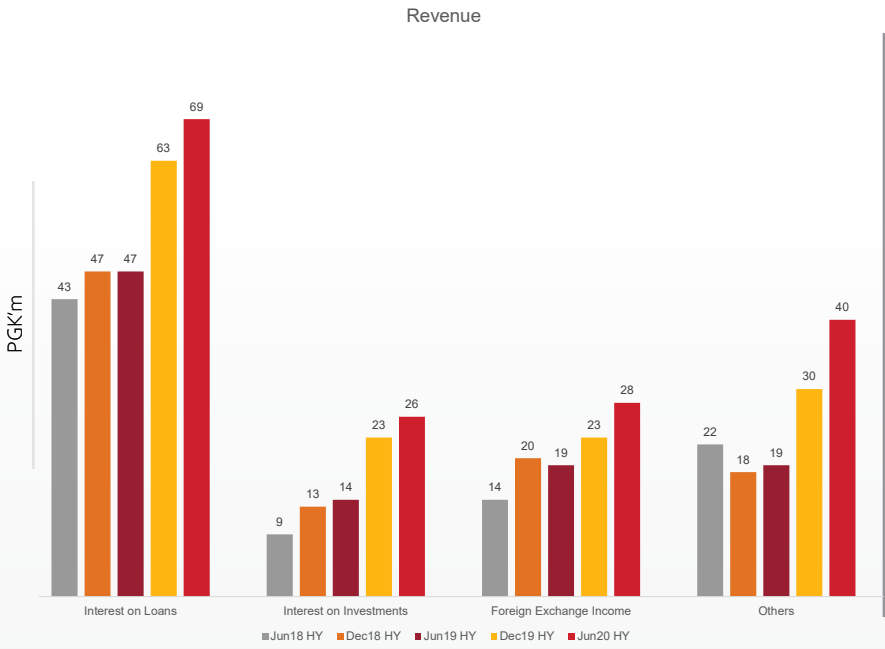
GDP expected to contract by -1.5% in real terms.



Grow with a
trusted partner.

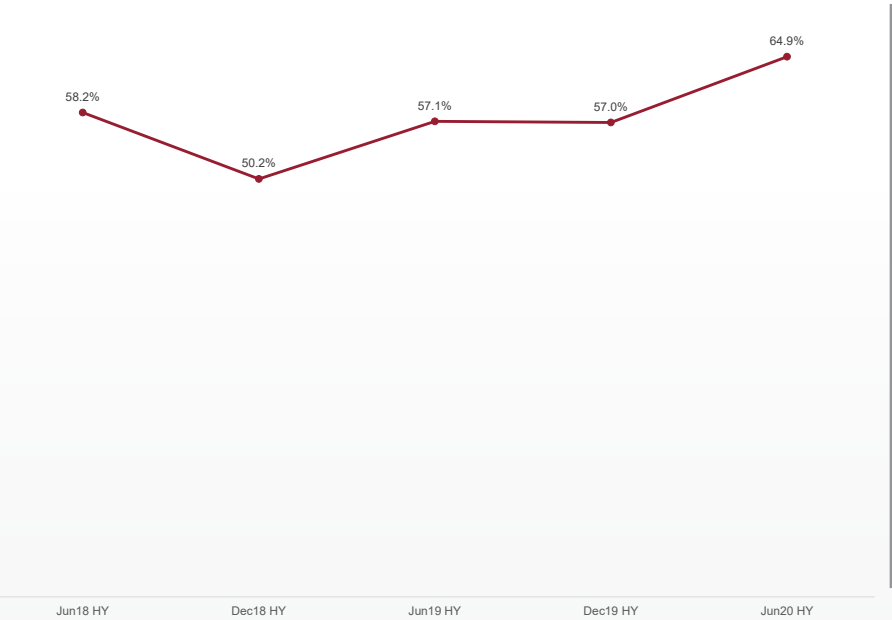
FASHION DESIGNER TABU WARUPI
SME KINA BANK CUSTOMER

KEY REVENUE MEASURES

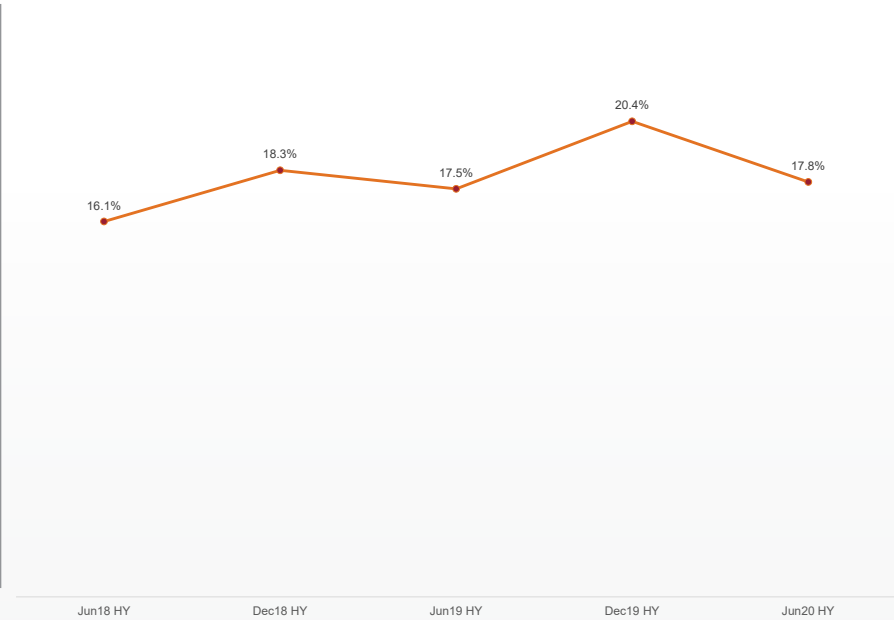


PRODUCTIVITY

Cost to income ratio

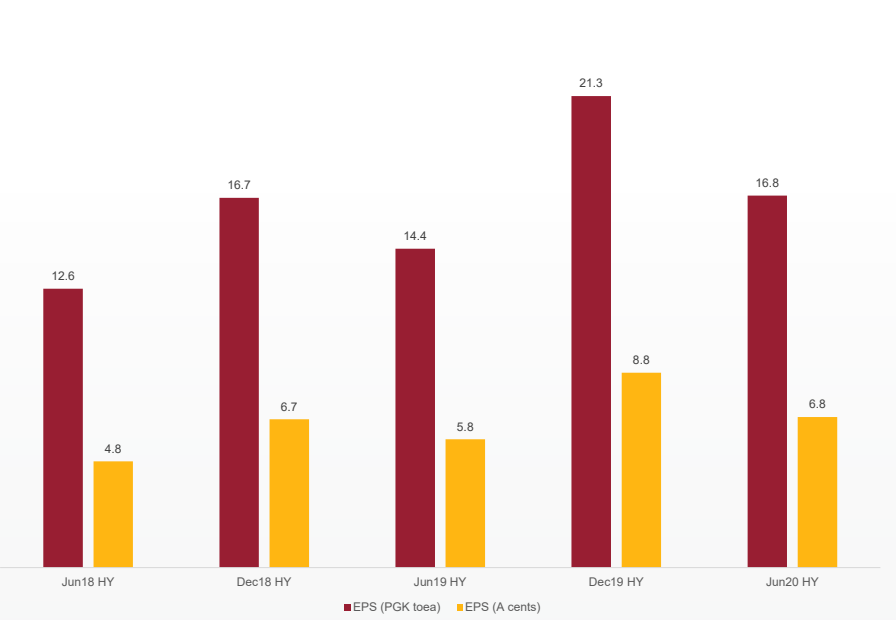


Return on Equity

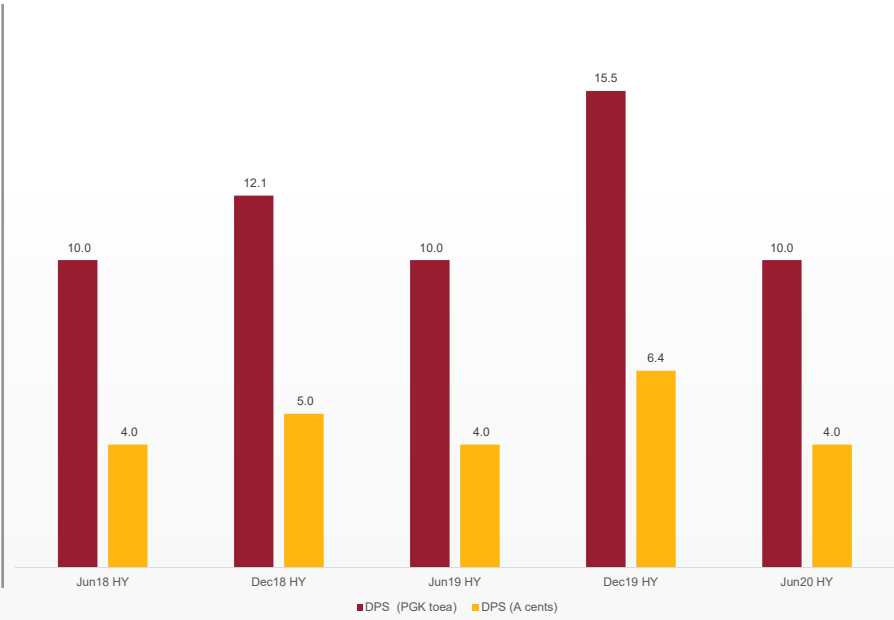


SHAREHOLDER RETURNS

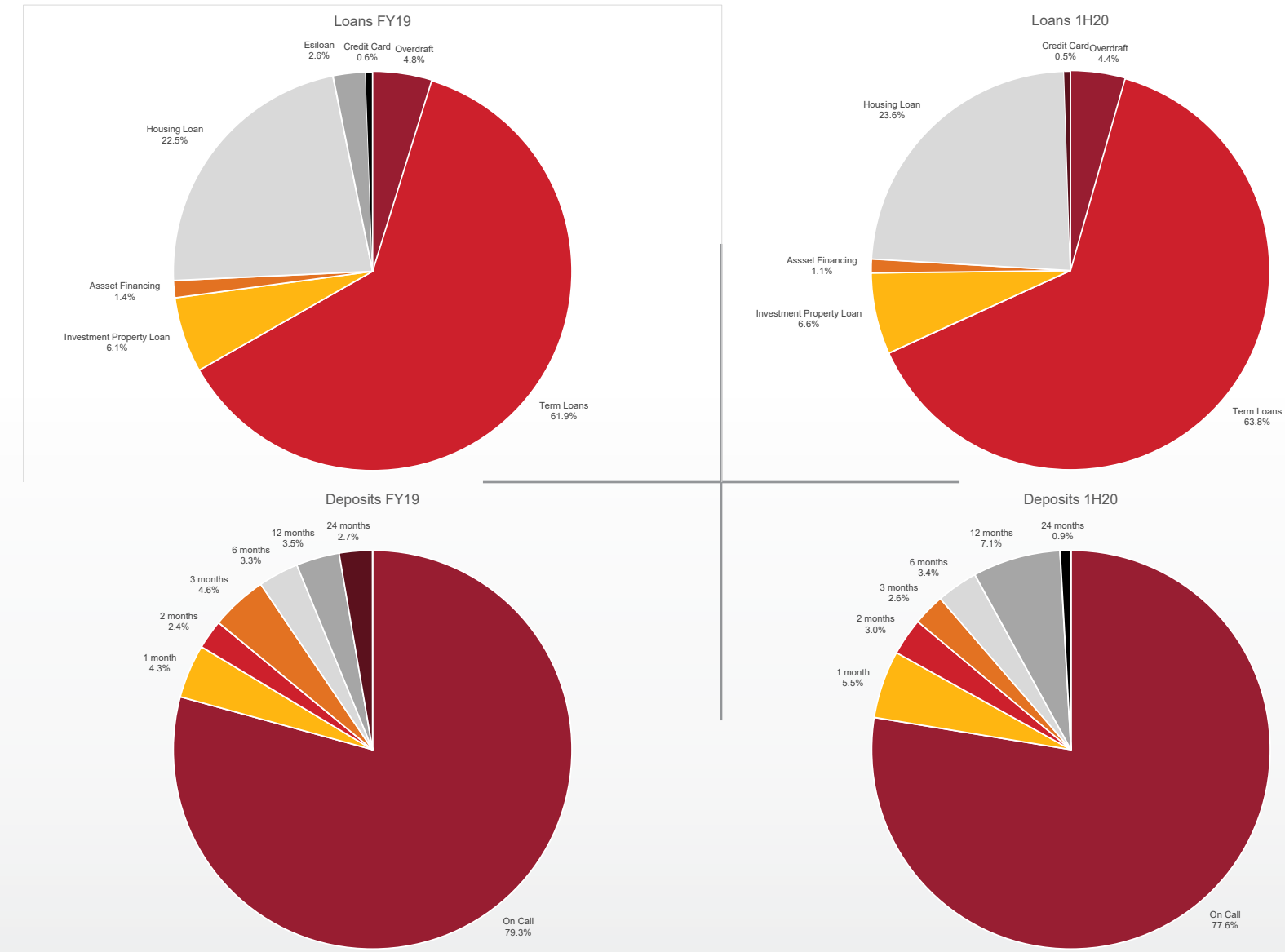
Earnings per Share



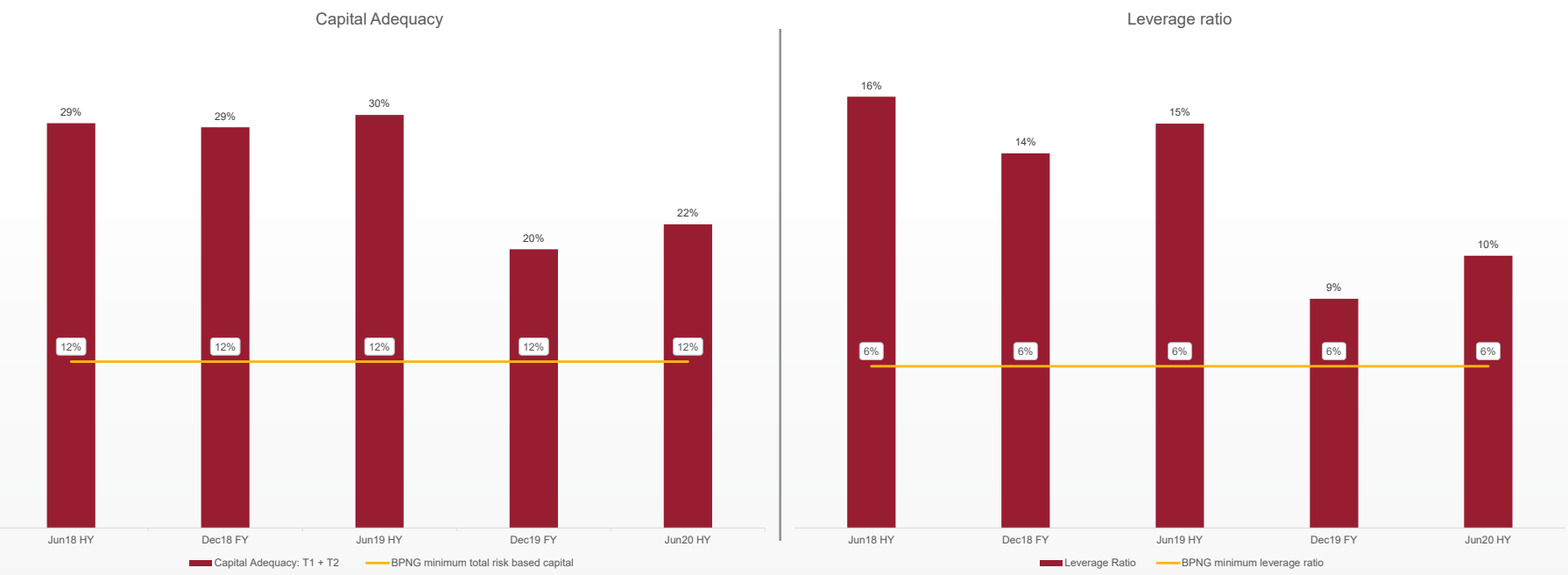
Dividend per Share



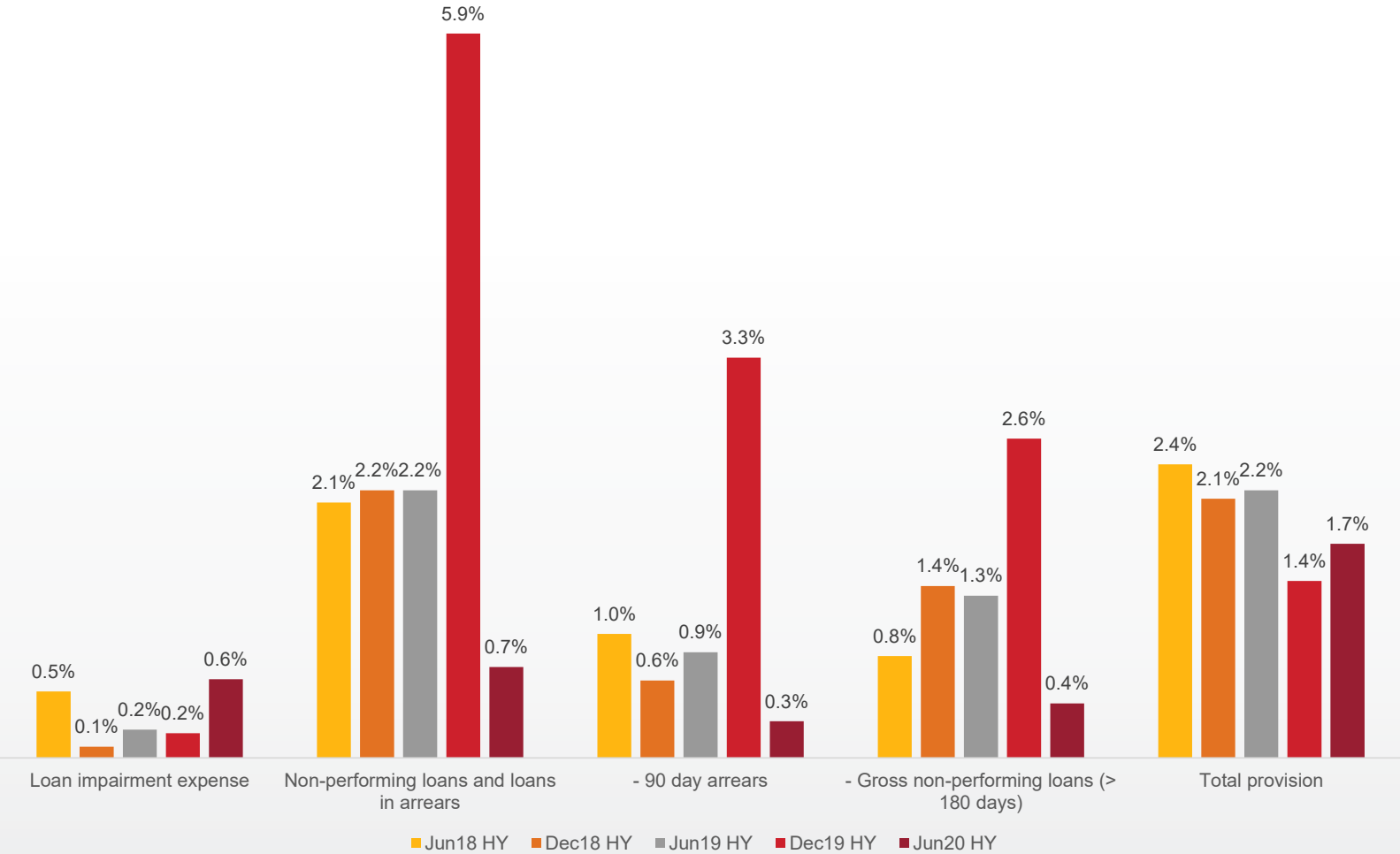
BALANCE SHEET



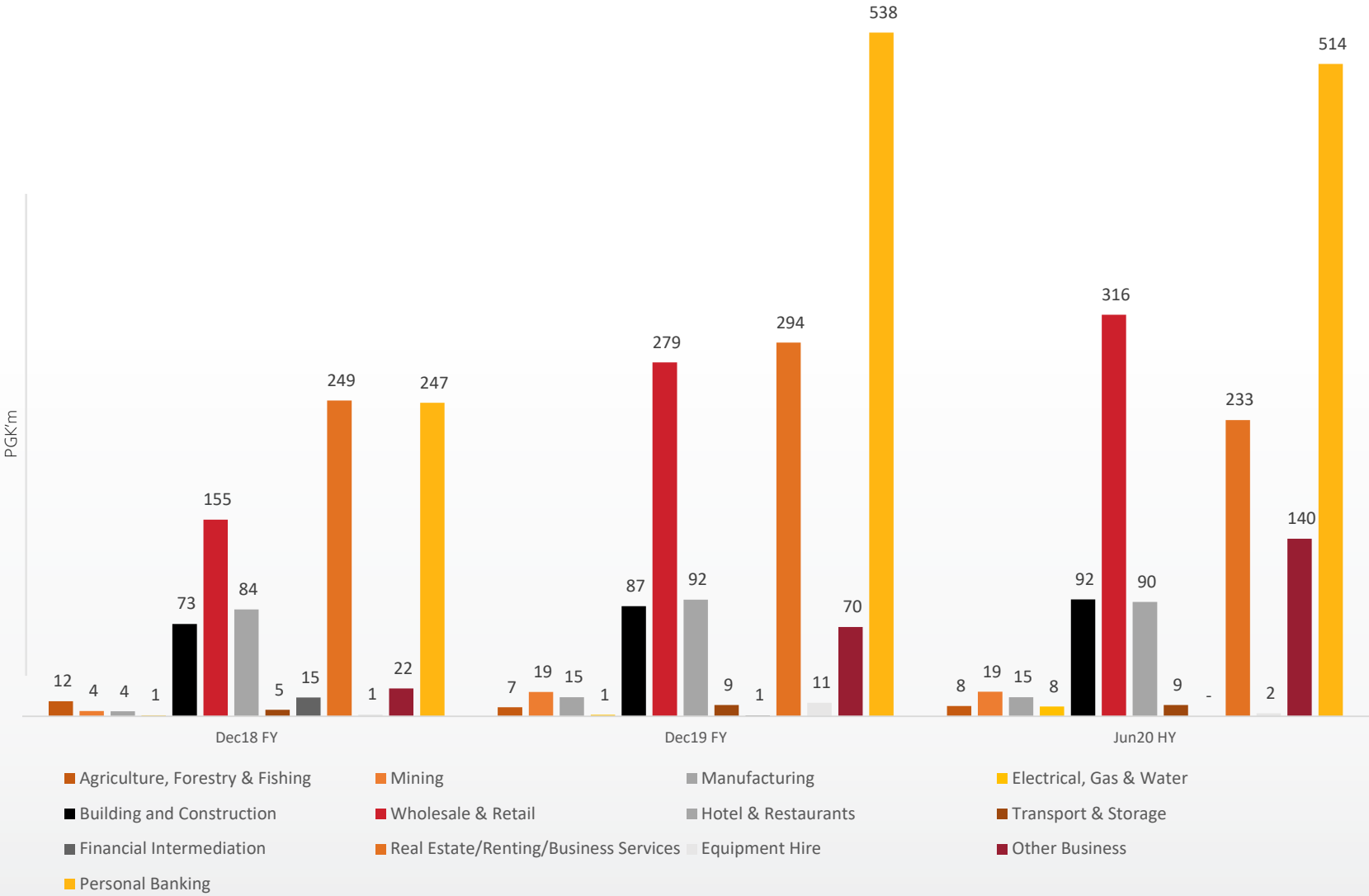
CAPITAL MANAGEMENT



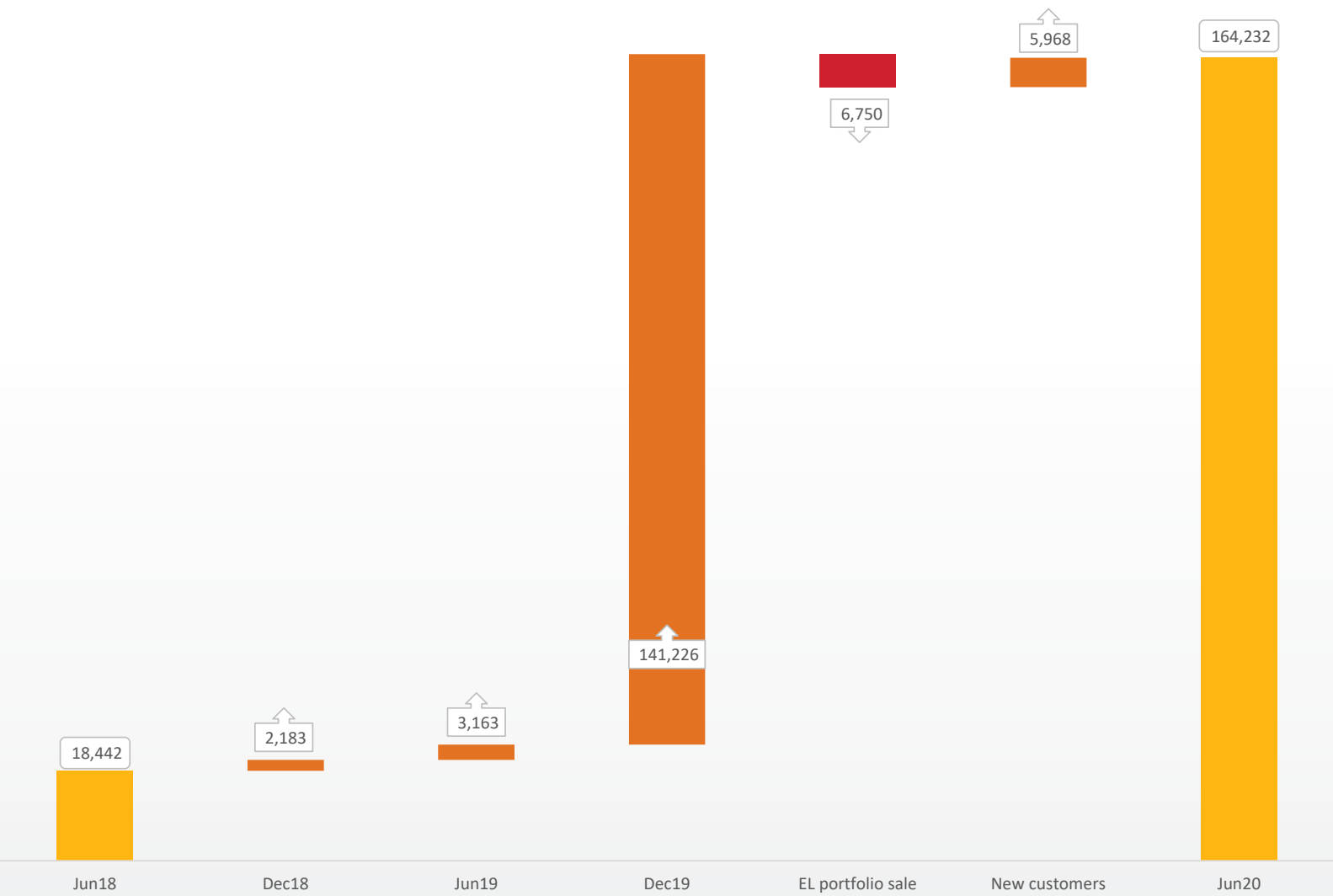
ASSET QUALITY



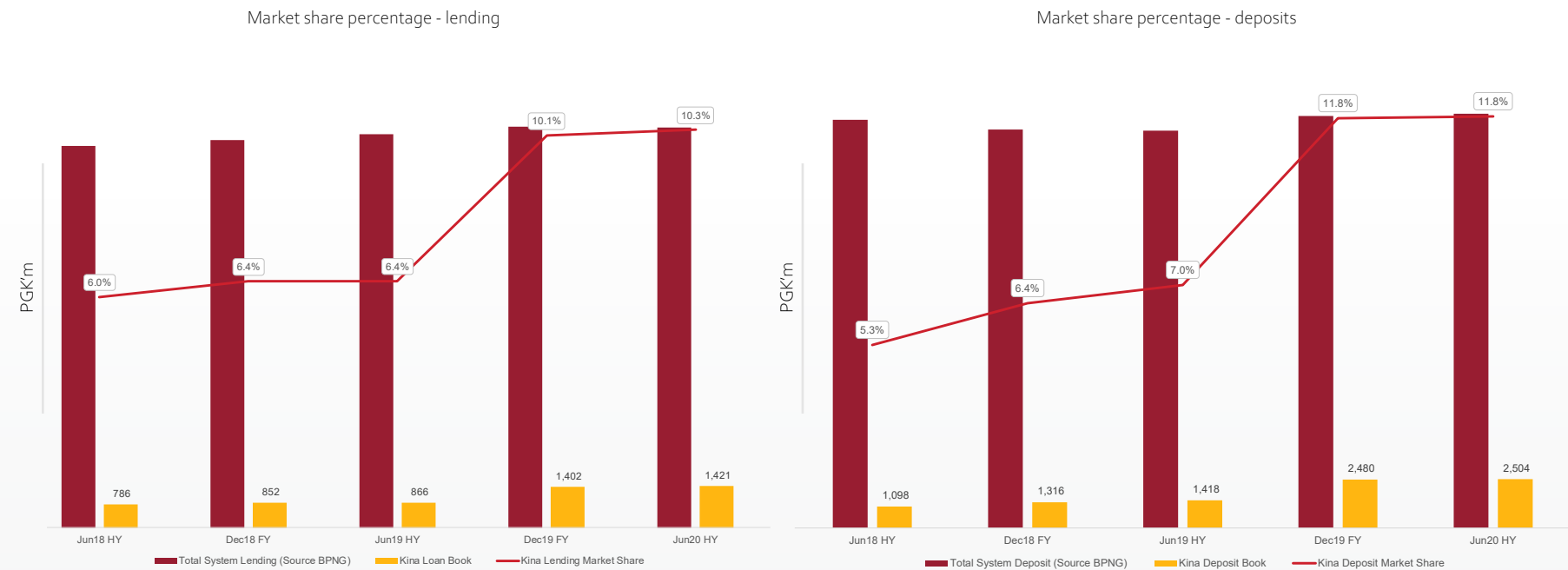
PORTFOLIO



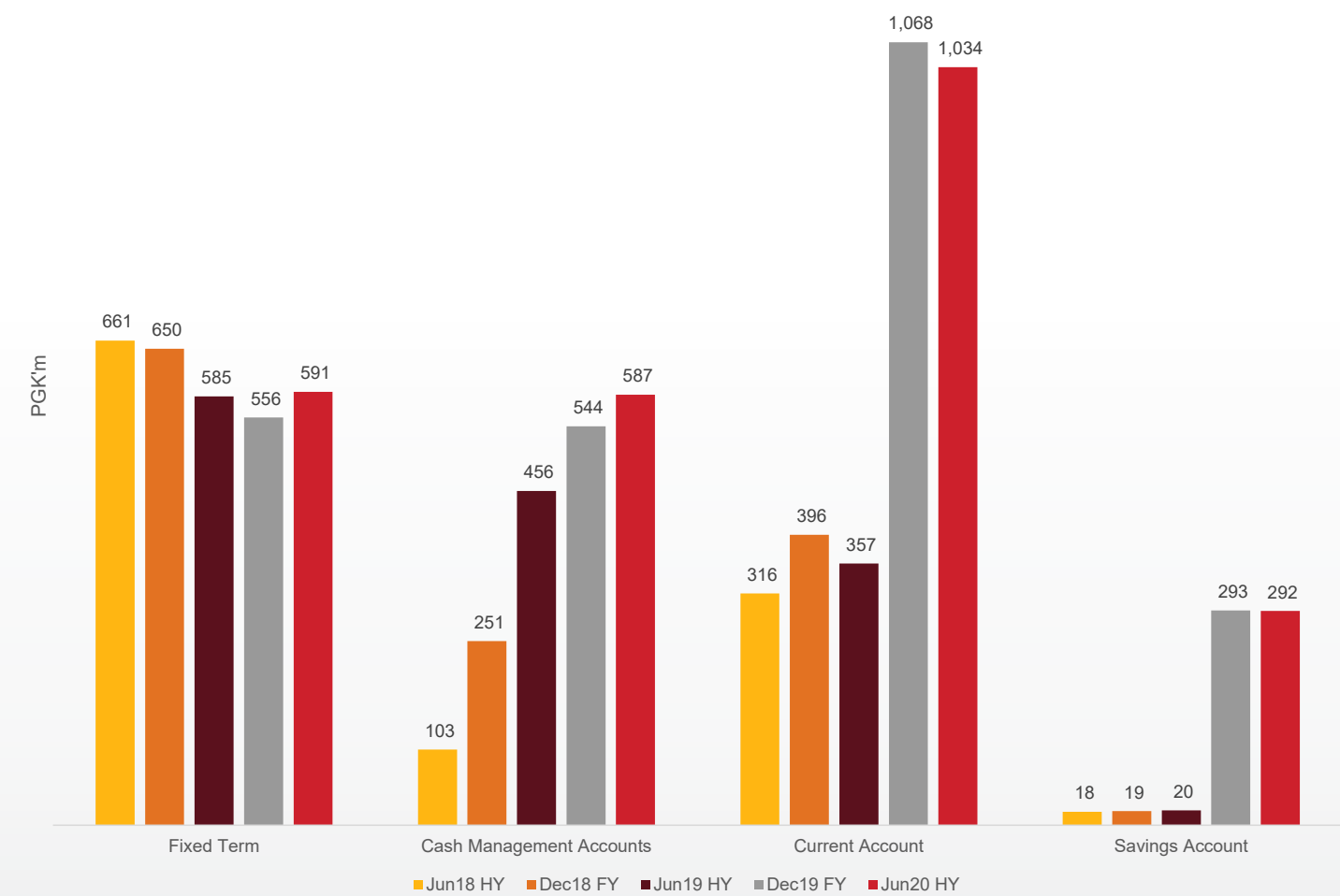
CUSTOMER GROWTH



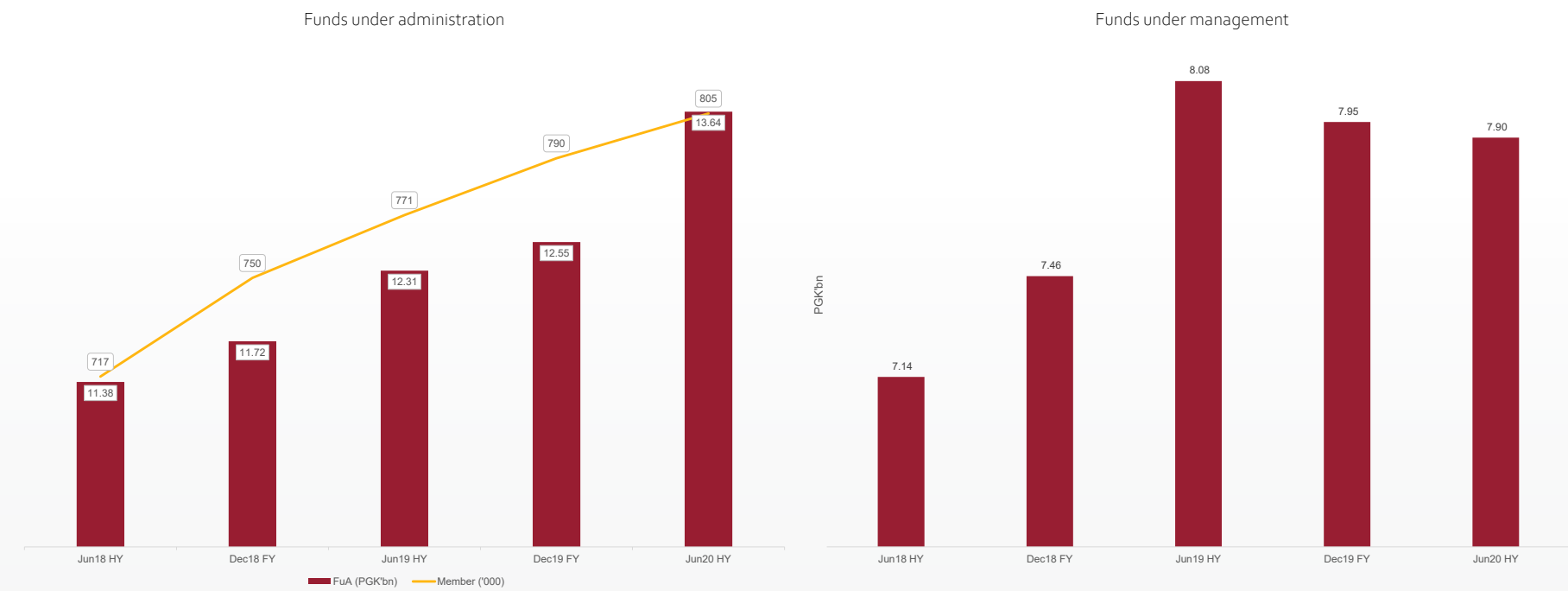
MARKET SHARE GAINS



DEPOSIT MIX



WEALTH MANAGEMENT





together it's possible



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