

KINA BANK
FULL YEAR RESULTS 2019
FEBRUARY 2020

 **kinabank**
together it's possible



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FINANCIAL RESULTS

- Organic business growth on target
- Included three months of income from the acquisition of ANZ PNG's Retail, SME and Commercial business
- Final Dividend **AUD 6.4 cents** per share or **PGK 15.5 toea**
- Full Year Dividend **AUD 10.4 cents** or **PGK 25.5 toea** per share
- **NPAT** up 27% on 2018 to **PGK 60.9m**
- Revenue **PGK 205.6m up 27%**
- Net Interest Income **grew by 31%** to **PGK 114.6m**
- Earnings per Share **increased 22%**
- Return on Equity **up 11%**

HIGHLIGHTS

- Completed the ANZ acquisition making Kina the second largest retail bank in PNG
- Acquired 15% stake in Nationwide Microfinance Bank (MiBank) to support financial inclusion and finance to the micro-SME sector
- USD 10.0m investment by AAA rated Asian Development Bank to become the second largest shareholder
- No customer loss during acquisition and organic customer growth up 17%

HIGHLIGHTS

- Strong focus on home lending which increased by 44%
- Organic home loan book up 26%
- ANZ acquisition delivered materially under budget and on time
- Finalised 2025 Strategic Plan: Building the Bank of the Future. Sets a five year pathway to becoming PNG's leading digital bank
- Delivered several transformational e-commerce programs that will improve cost efficiency

BUSINESS GROWTH

- FX income up **23% to PGK 42m**
- Total Deposits **grew by 89% to PGK 2.48b**
- Total Loans grew by **65% to PGK 1.40b**
- Customer numbers now total over 165,000 and reach extends to over 1.2m Papua New Guineans with MiBank and Kina Investment and Superannuation Services
- Funds Management **grew 7% to PGK 8b**
- Funds Administration **up 7% to PGK 12.5b**

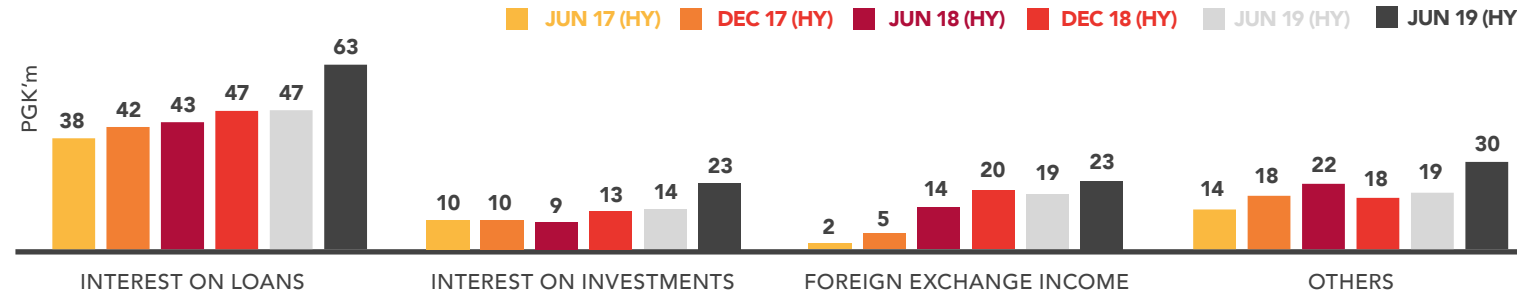


ECONOMIC UPDATE

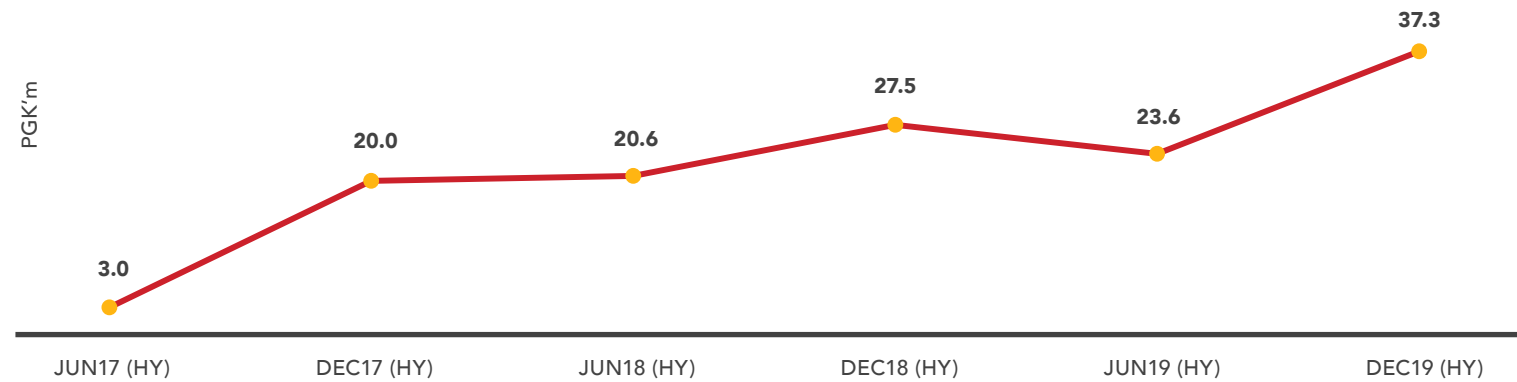
- Calm transition to the Marape Government formed in May 2019
- Economy recovering from external shocks, growth outlook soft due to rising uncertainties
- GDP growth of 5.6% modest, forecast to fall to 3.1 –3.5% over 2020/21
- Building an inclusive and sustainable economy requires structural reforms
- Government Medium Term Development Plan 2018-2022 (MTDP III) is a comprehensive strategy to deliver on the country's development aspirations
- Foreign exchange reserves have improved with some depletion of domestic liquidity

KEY REVENUE MEASURES

REVENUE

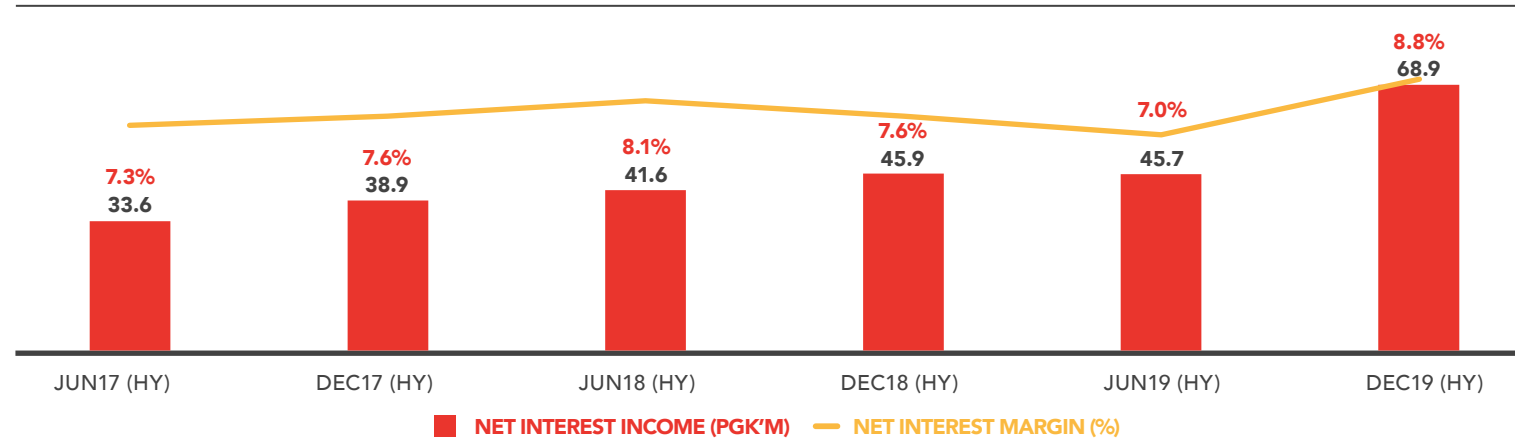


NPAT

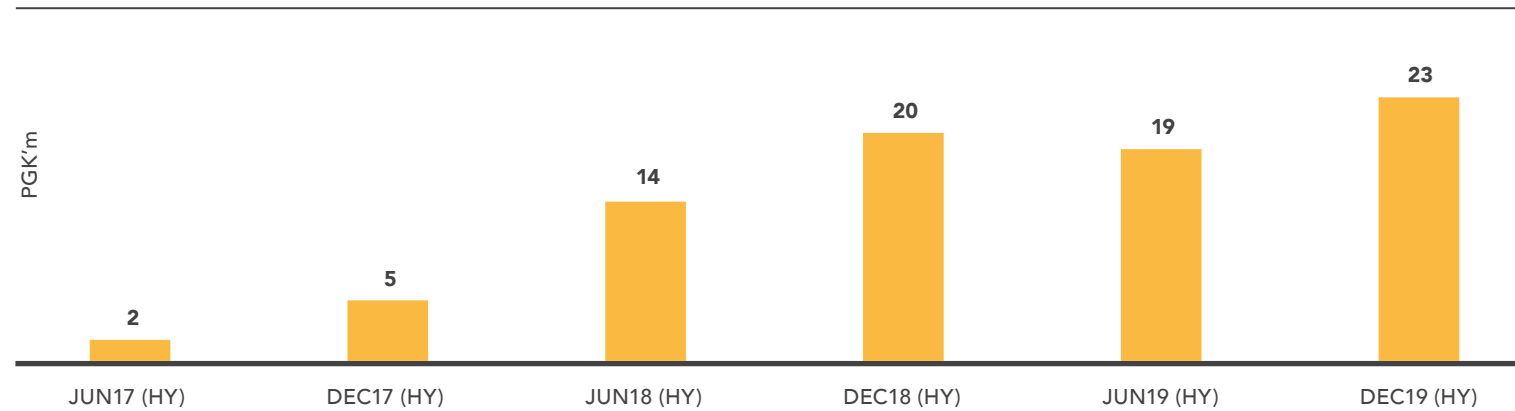


KEY REVENUE MEASURES

NIM

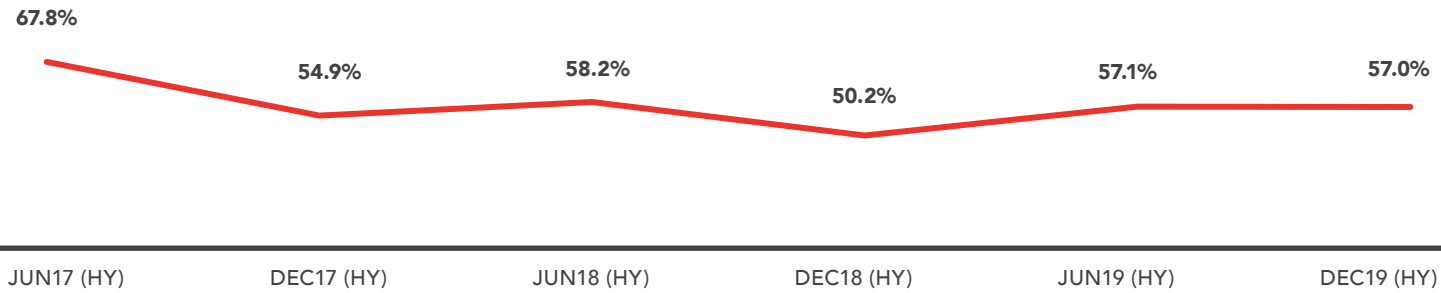


FX INCOME

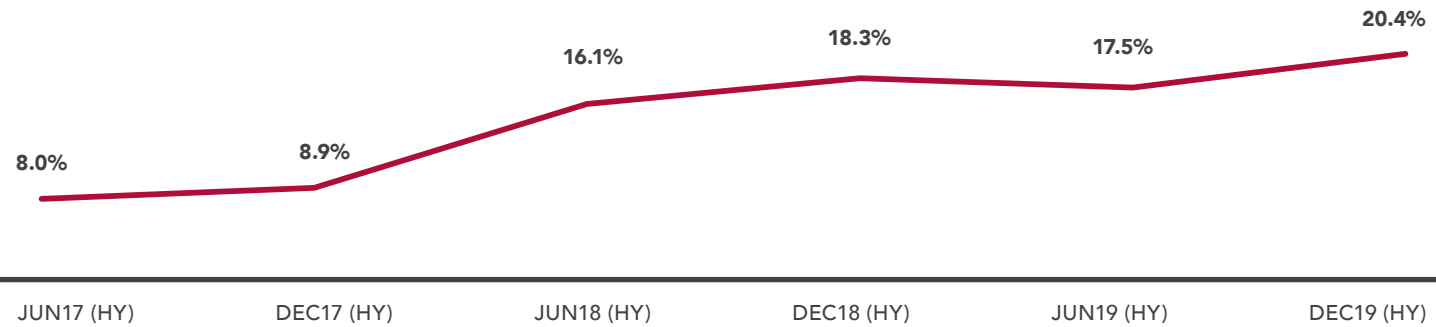


PRODUCTIVITY

COST TO INCOME

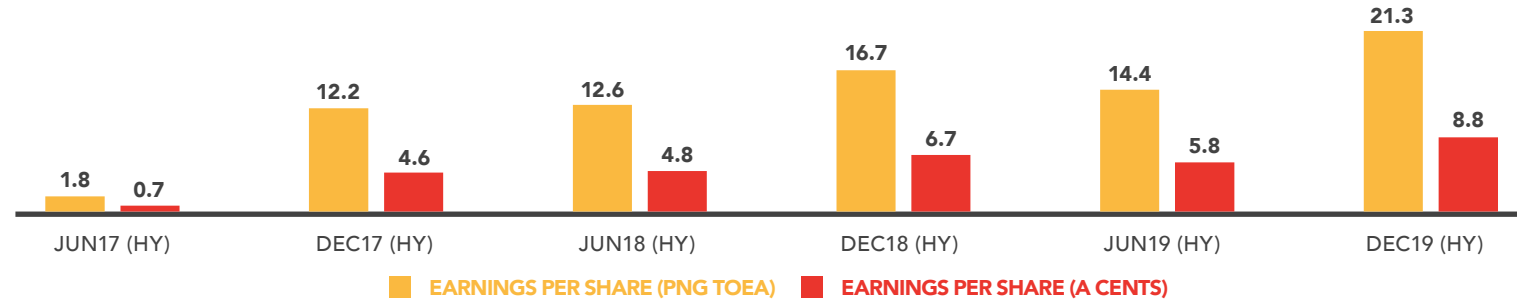


RETURN ON EQUITY

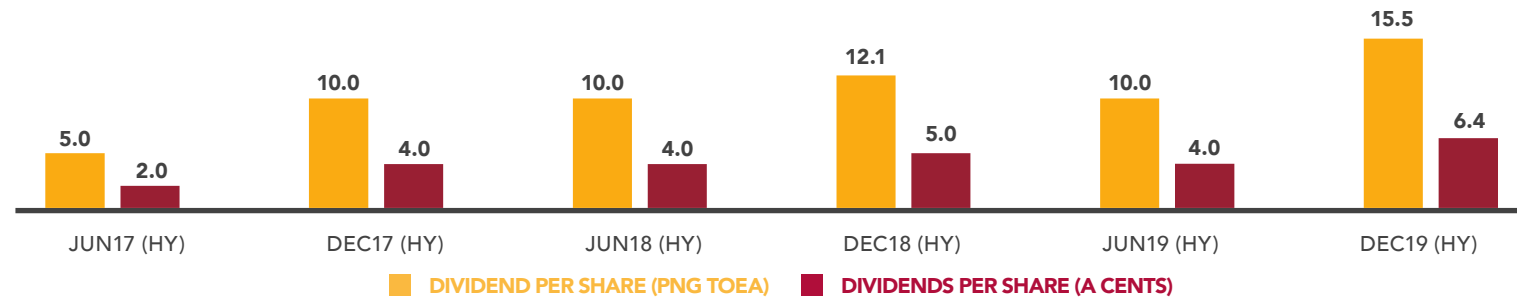


SHAREHOLDER RETURNS

EARNINGS PER SHARE

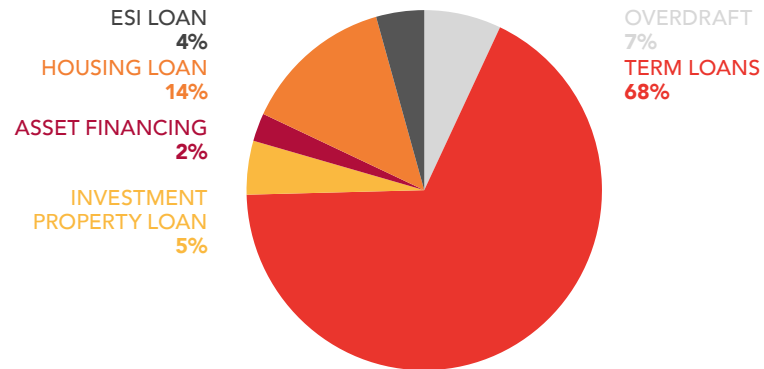


DIVIDENDS PER SHARE

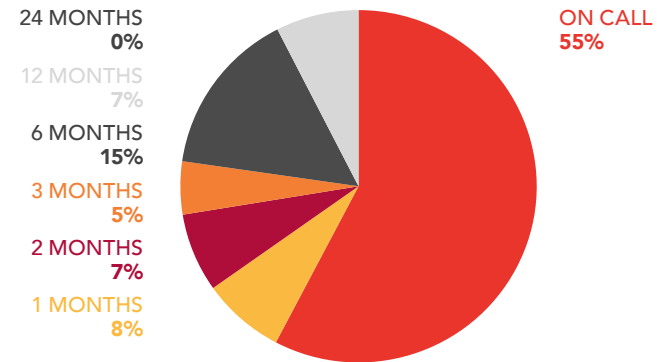


BALANCE SHEET

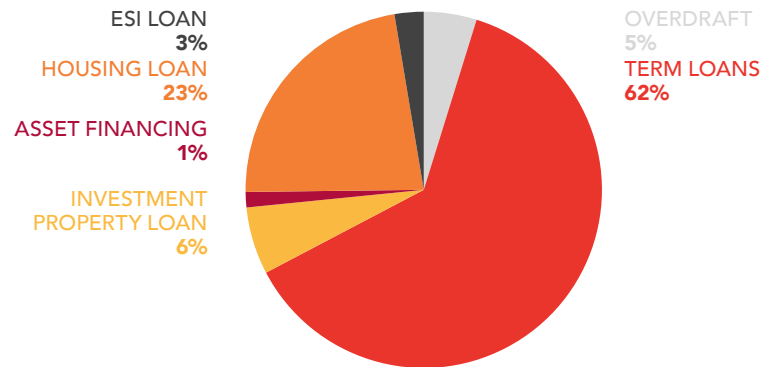
LOANS FY18



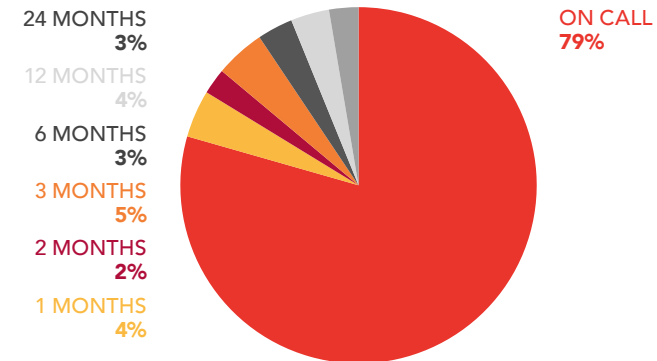
DEPOSITS FY18



LOANS FY19

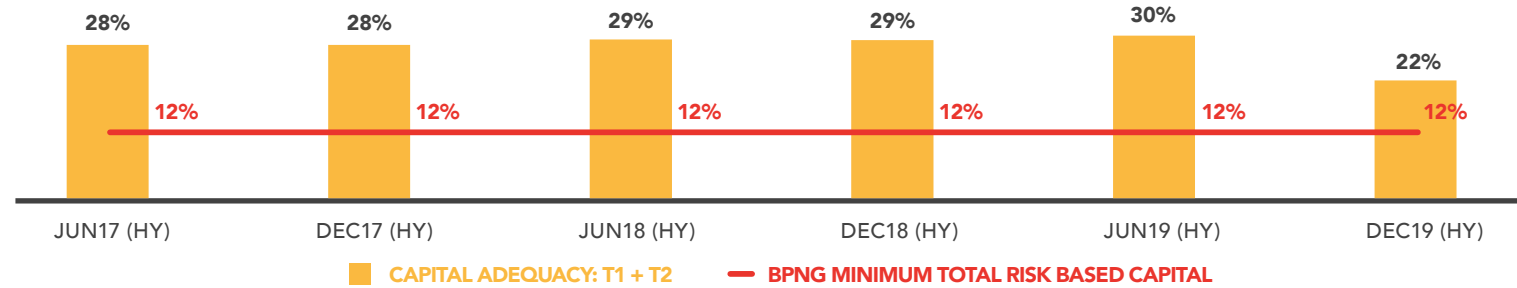


DEPOSITS FY19

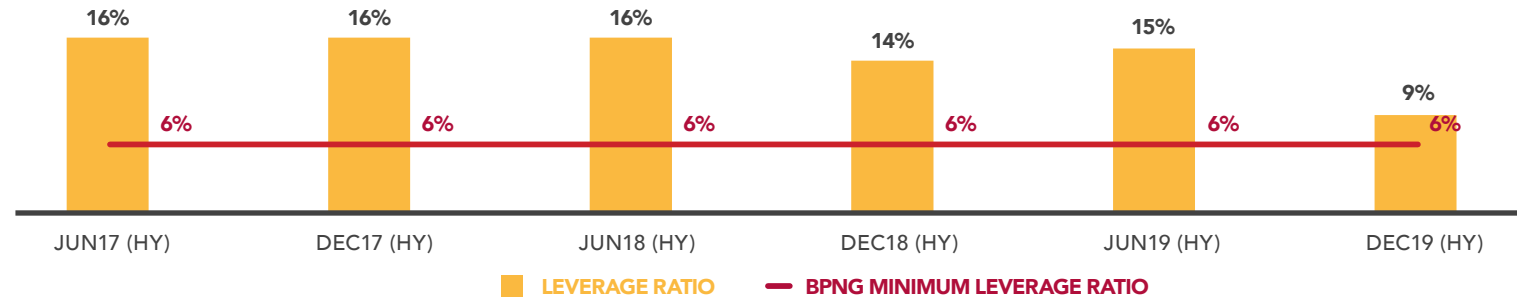


CAPITAL MANAGEMENT

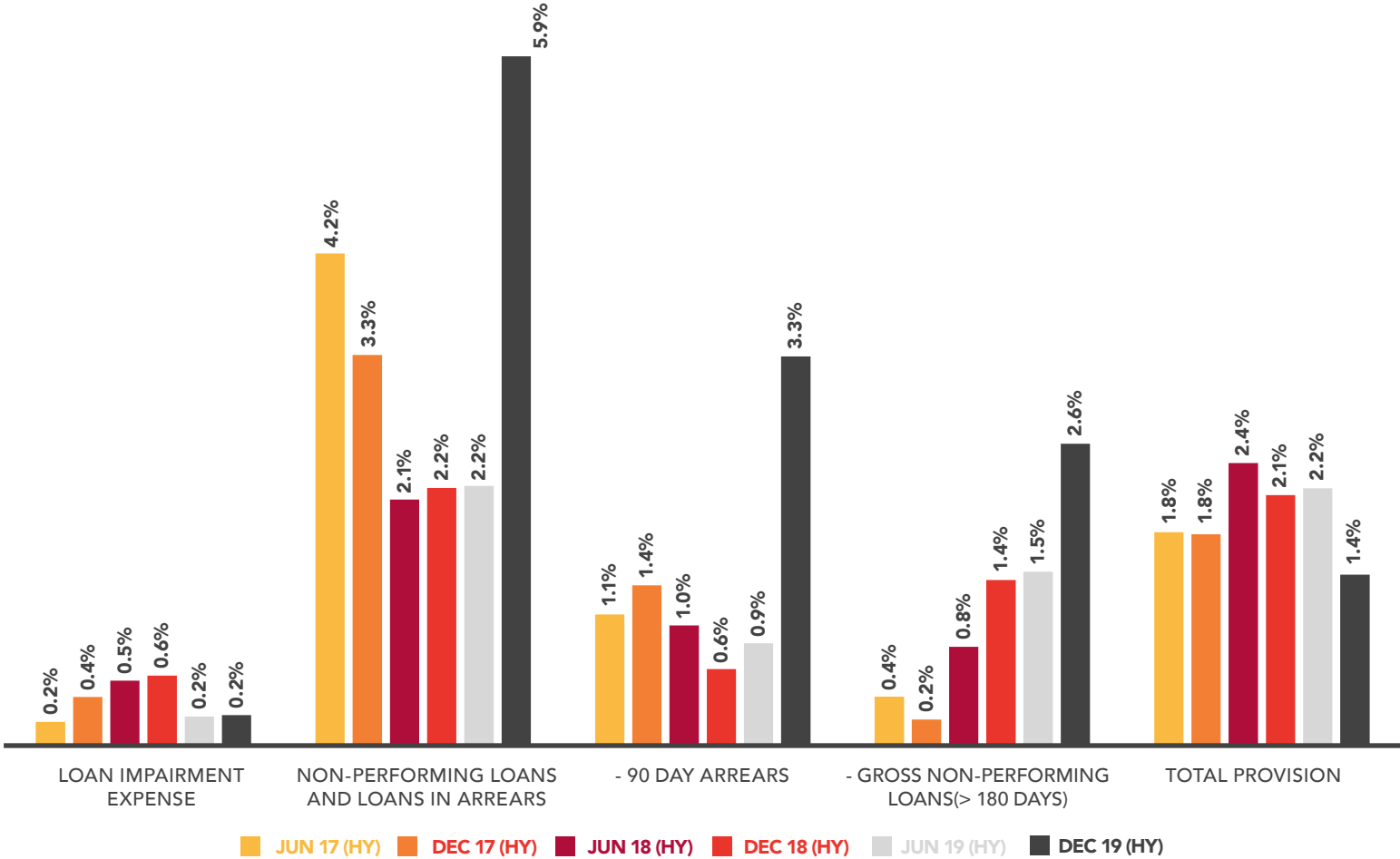
CAPITAL ADEQUACY



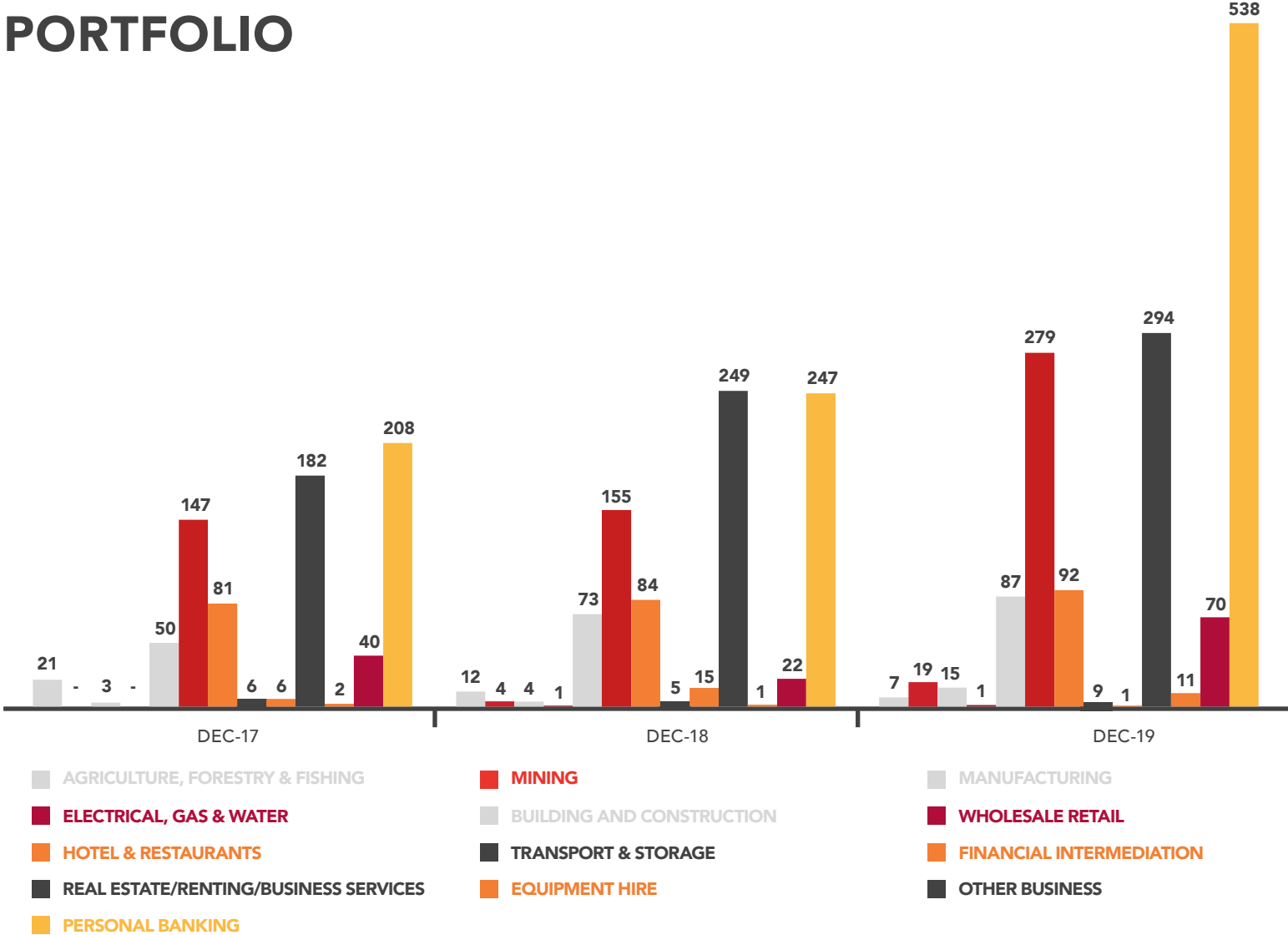
LEVERAGE RATIO



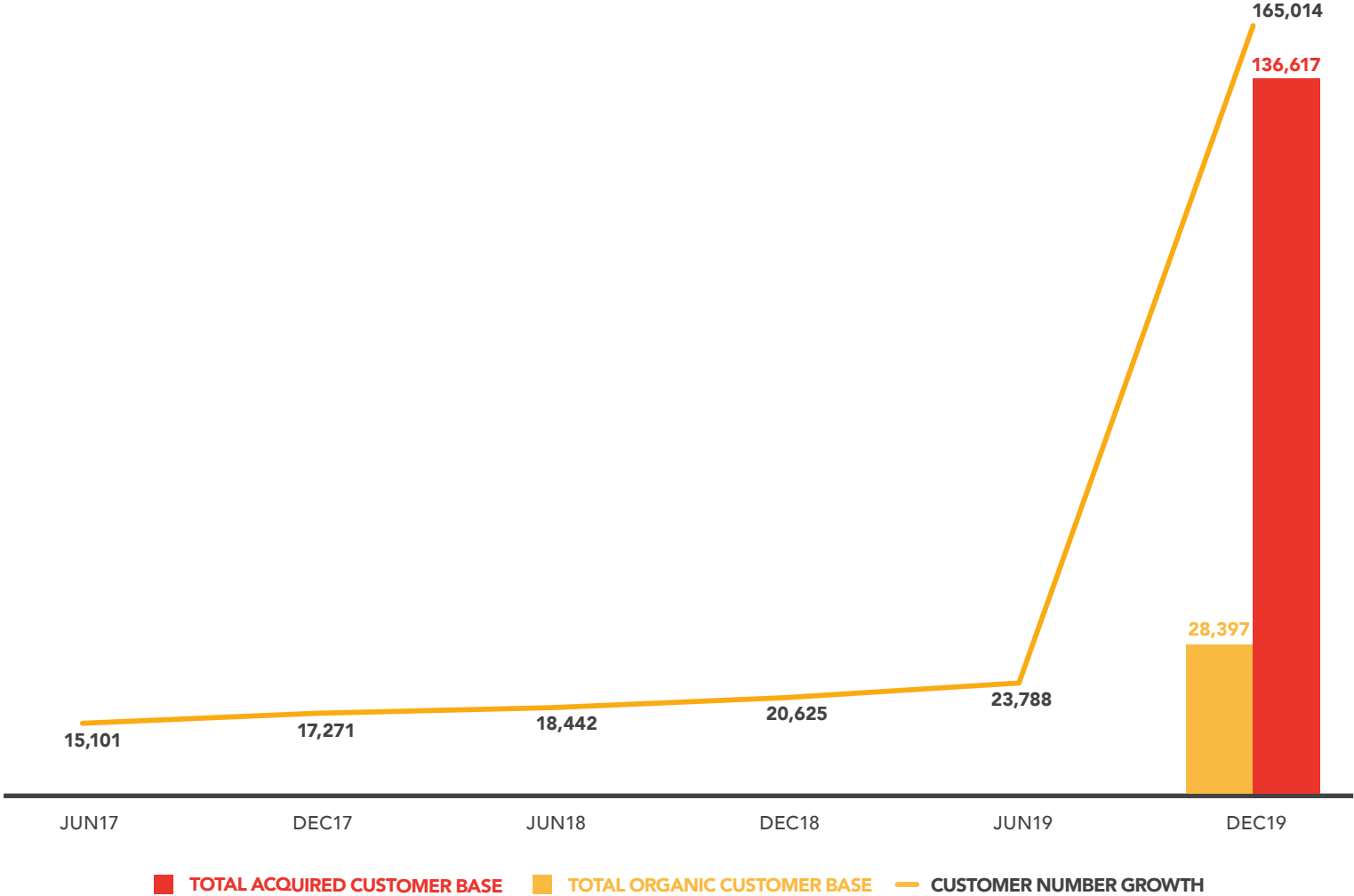
ASSET QUALITY



PORTFOLIO

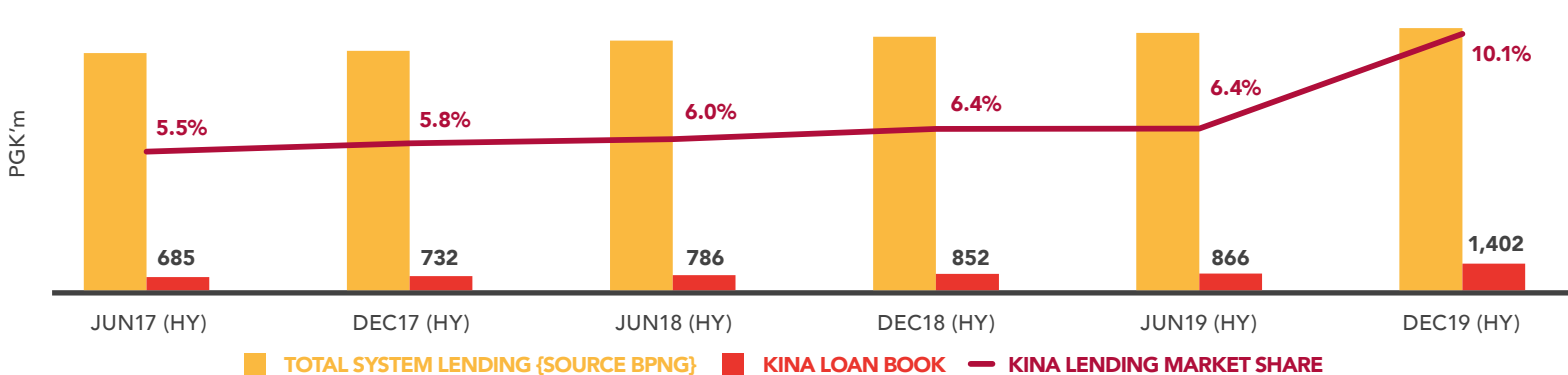


CUSTOMER GROWTH

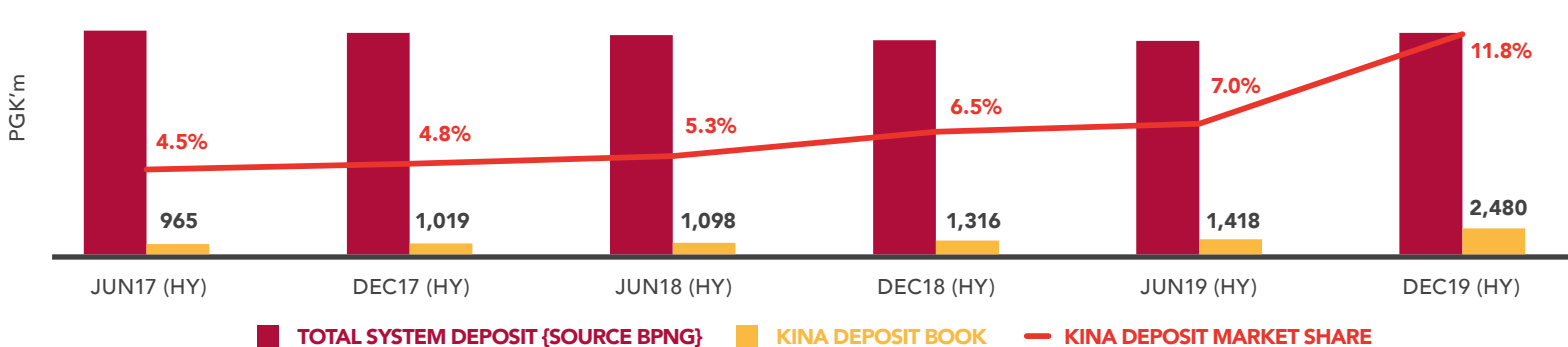


MARKET SHARE GAINS

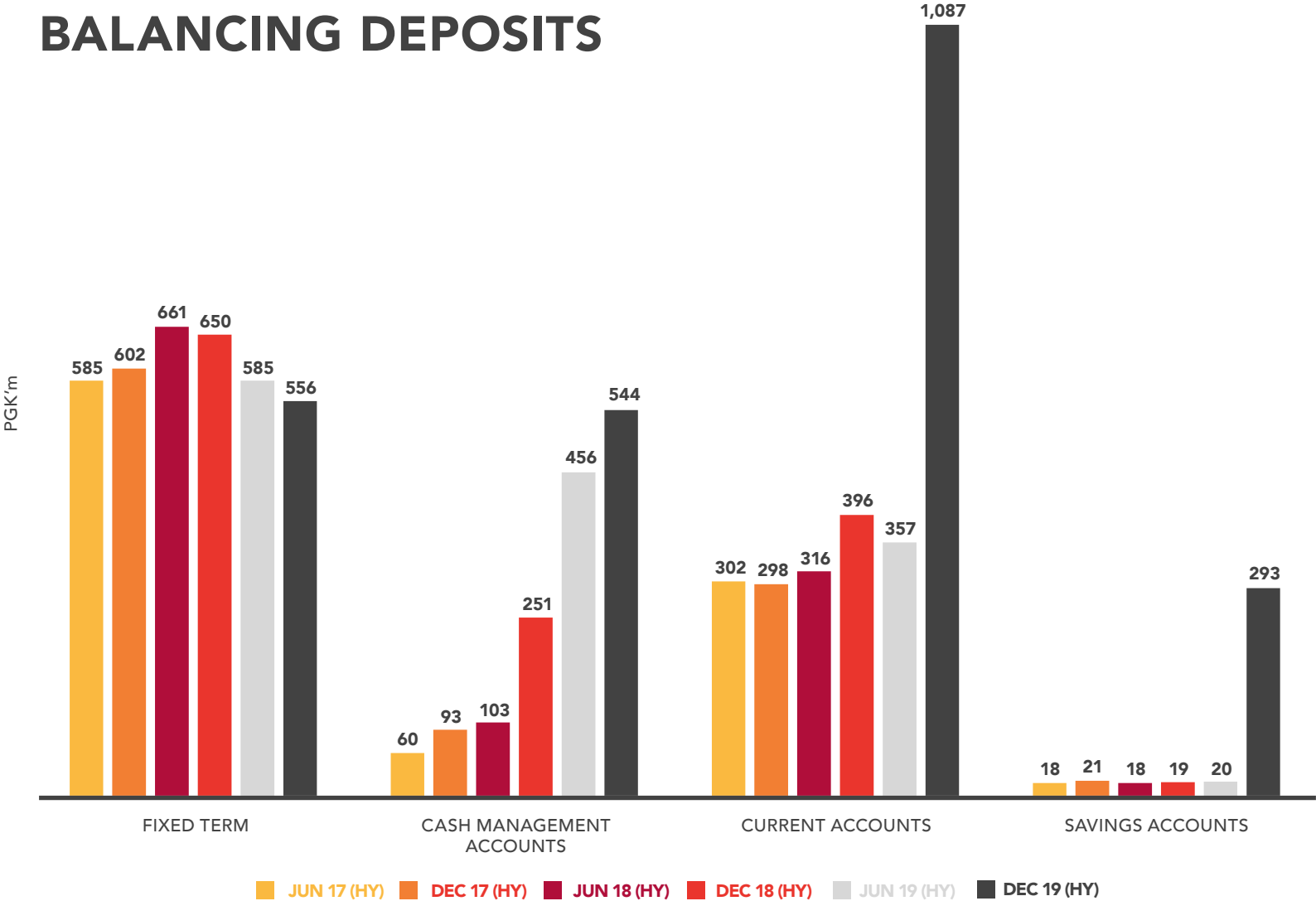
MARKET SHARE PERCENTAGE - LENDING



MARKET SHARE PERCENTAGE - DEPOSITS

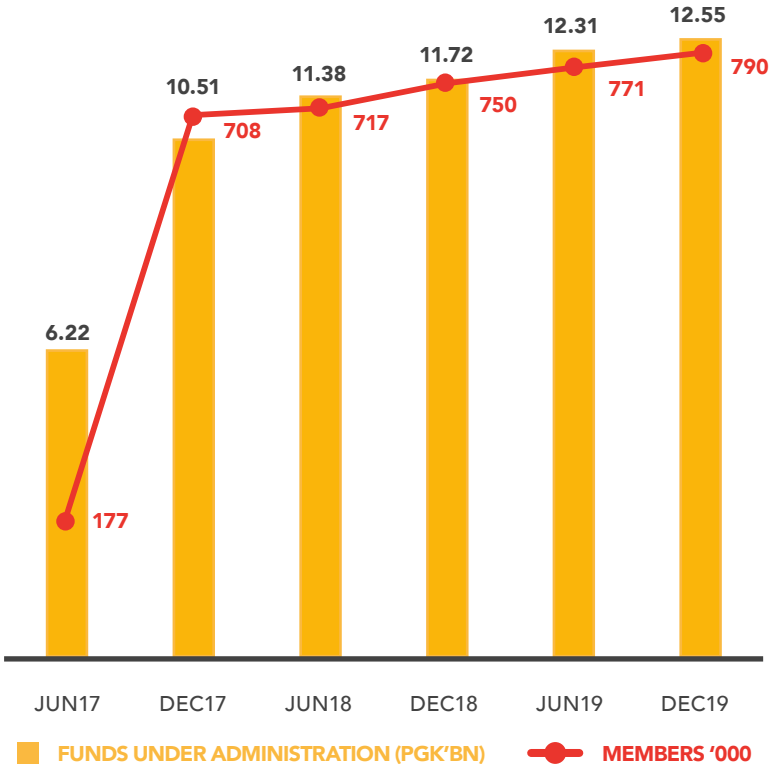


BALANCING DEPOSITS



WEALTH MANAGEMENT

FUNDS UNDER ADMINISTRATION



FUNDS UNDER MANAGEMENT

