



Full Year Profit 2015.

Kina Exceeds Prospectus Forecasts

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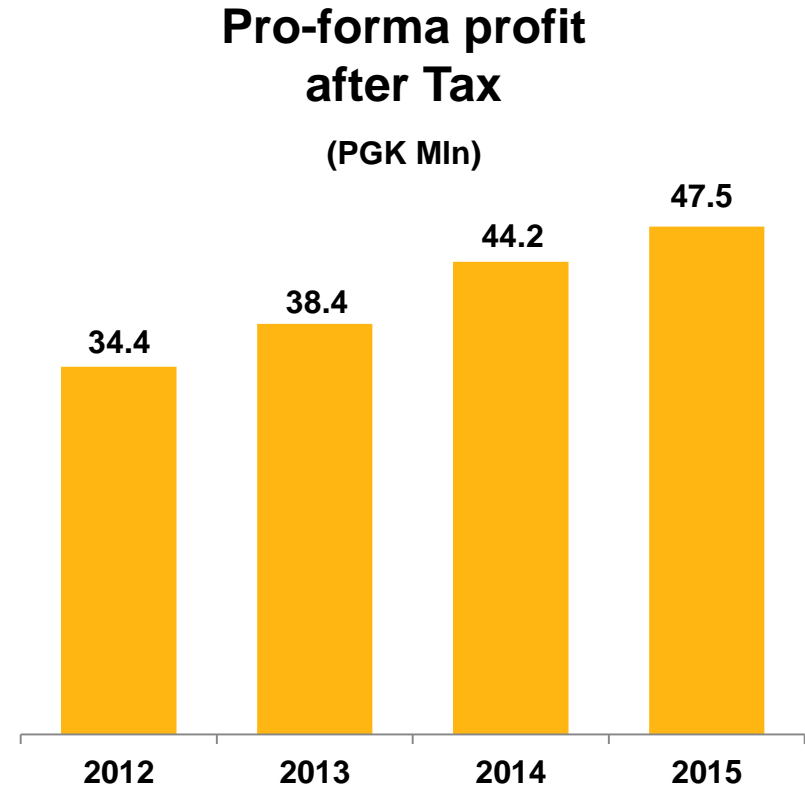
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Pro-forma Profit Beats Prospectus Forecast

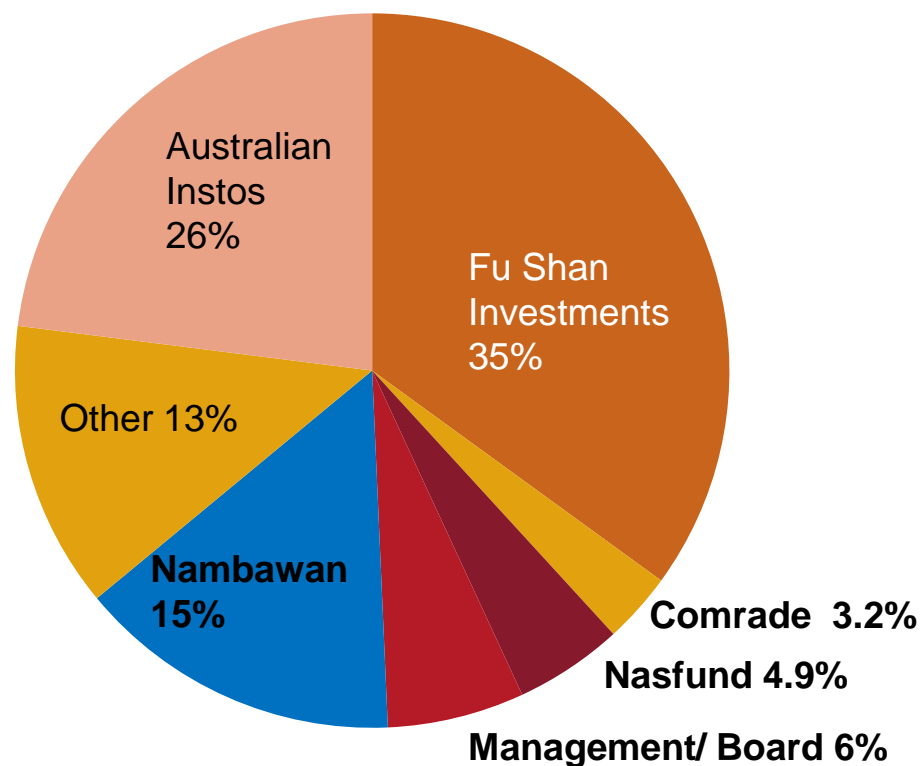
- Pro-forma FY 2015 net profit of PGK47.5 million, exceeding prospectus forecast of PGK45.3 million by 4.9%
- Net interest margin of 9.6%
- Cost to Income Ratio of 44.6%
- Bad debt expense of PGK2.6 million, equal to 0.7% of gross loans and advances
- Capital adequacy ratio of 33%, post dividend, vs minimum requirement of 12%
- Dividend of 3.4 cents per share, exceeding prospectus forecast of 3.2 cents. Annualised dividend yield of 11.3%, at 90c share price



Corporate Highlights - IPO Completed

- **Dual listing ASX and POMsox**
- **Raised PGK200 million/A\$97 million.**
- **164 million shares issued**
- **PE ratio of 6.4 times 2015 NPAT of A0.14/share***
- **Market cap \approx A\$150 million**

Major Shareholders



Top 20 = 81%

*1AUD = 2.076/PGK

Corporate Highlights - Maybank merger

- Purchase price of PGK349 million (A\$173 million)
- Merger creates:
 - fourth largest bank in PNG
 - More than 11,000 clients
 - Seven branches and an expanding electronic network
 - Total loans \approx PGK374 million
 - Total deposits \approx PGK683 million
 - Leading position in Funds Management, PGK5.5 billion FUM
 - Leading position in Funds Administration, PGK4.85 billion FUA
 - Leading market share in stockbroking in PNG



opportunity
awaits

At Kina, we believe in opportunity.
Opportunity for this generation and the next to prosper.
Opportunity to build the life you choose for you and your family.

together it's possible

Ask us about how we can help you unlock opportunity. Visit us at www.kina.com.pg

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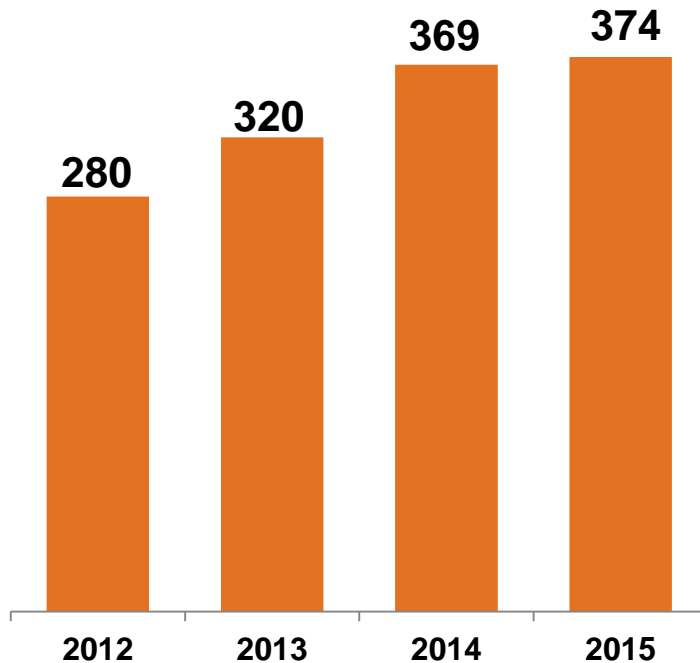
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Kina Bank – Lending momentum building

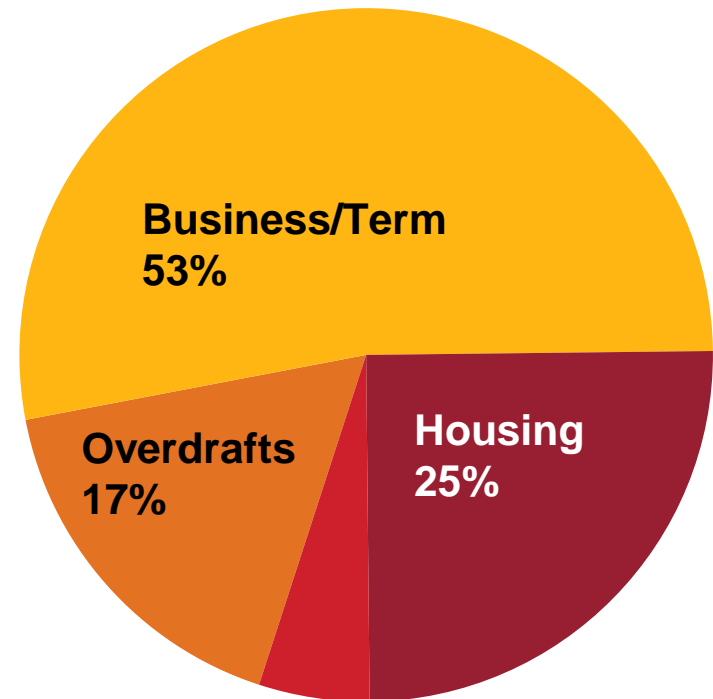
Kina Lending Book

(PGK Mln)



Lending growth of PGK25 million in December quarter 2015, post settlement of Maybank PNG acquisition

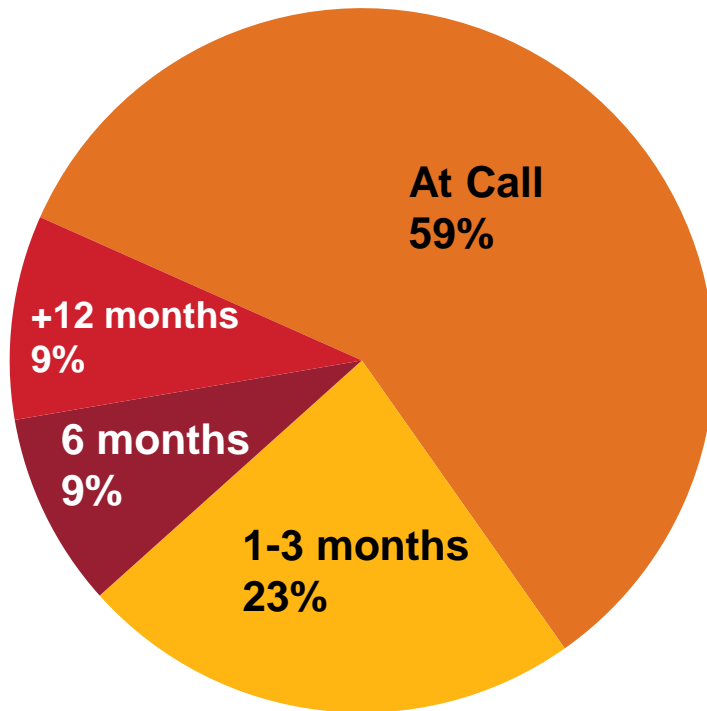
Lending breakdown



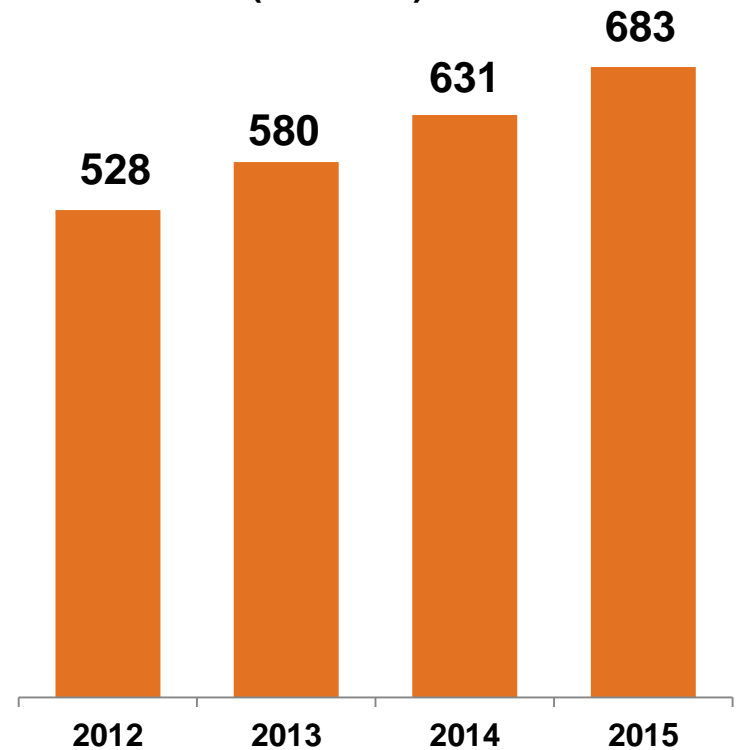
Esi Loan 5%

Kina Bank – Low cost deposit base

Deposit profile



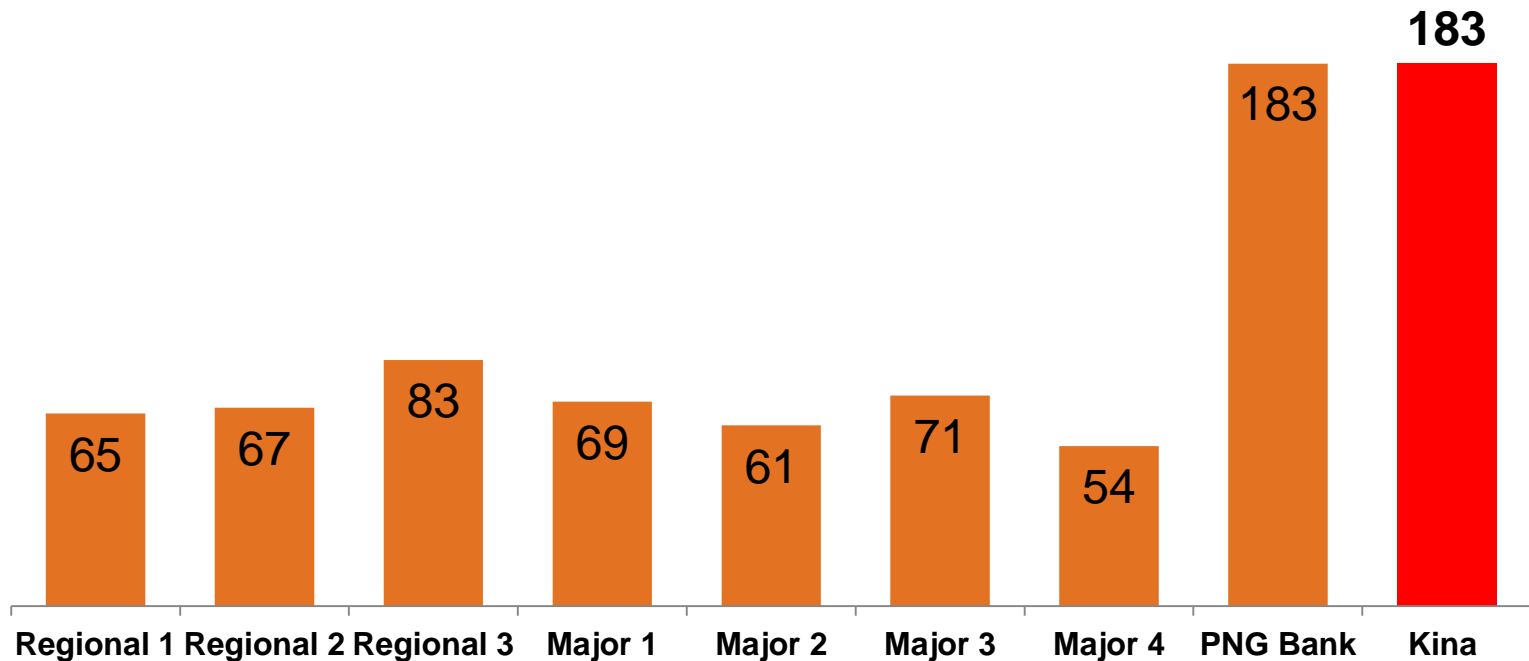
Kina Deposits (PGK Bln)



Kina Bank – Funding advantage

Large low cost deposit base provides growth potential

(Deposits as % of Lending Assets)

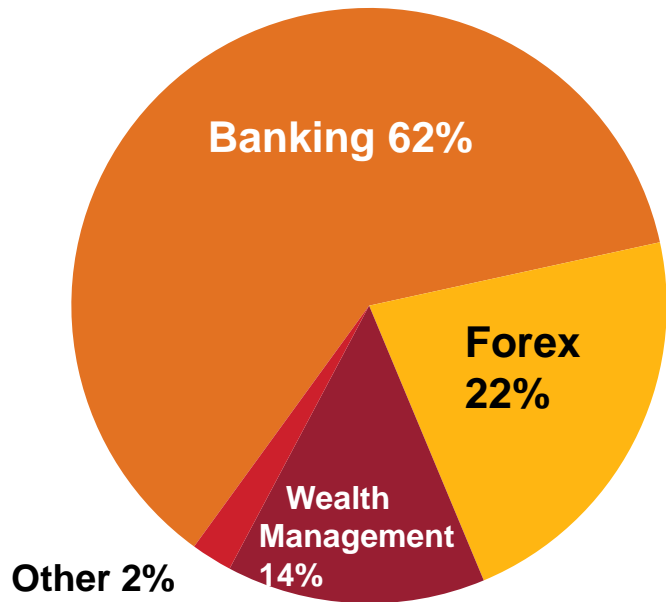


Source: Company reports. Regional Bank Group data. Major Bank data includes Retail and Business Bank divisions only

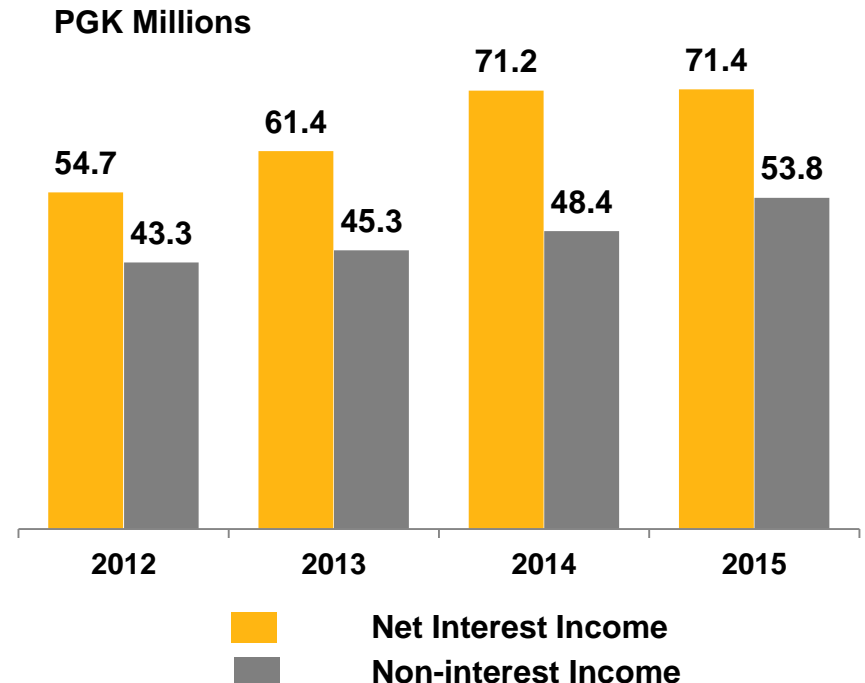
2015 Income Exceeds Prospectus forecast

Total income PGK125.2 million vs forecast of PGK124.6 million

SEGMENT INCOME, DOMINATED BY BANKING*



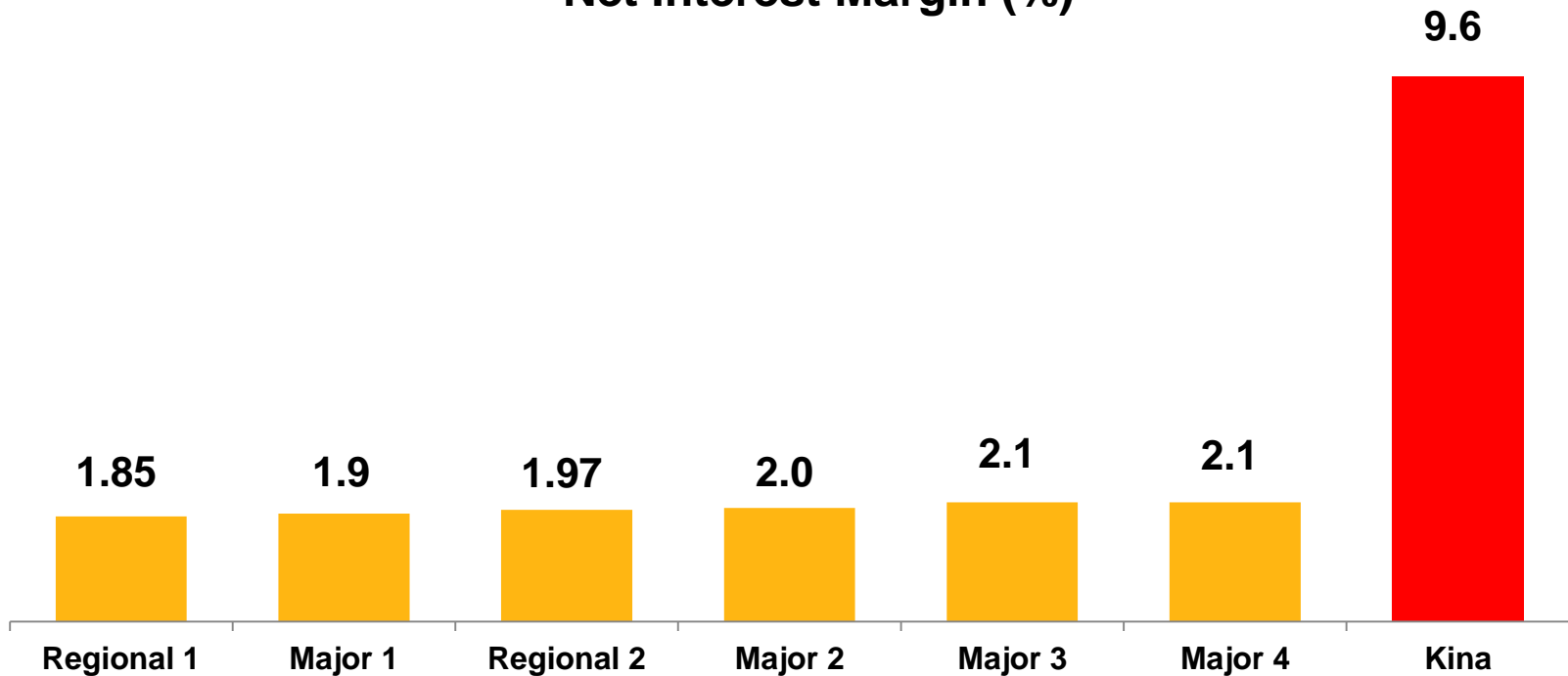
INTEREST AND NON-INTEREST INCOME



*Certain normalisation adjustments have been made. See 2015 Results announcement for further detail.

Strong margin performance

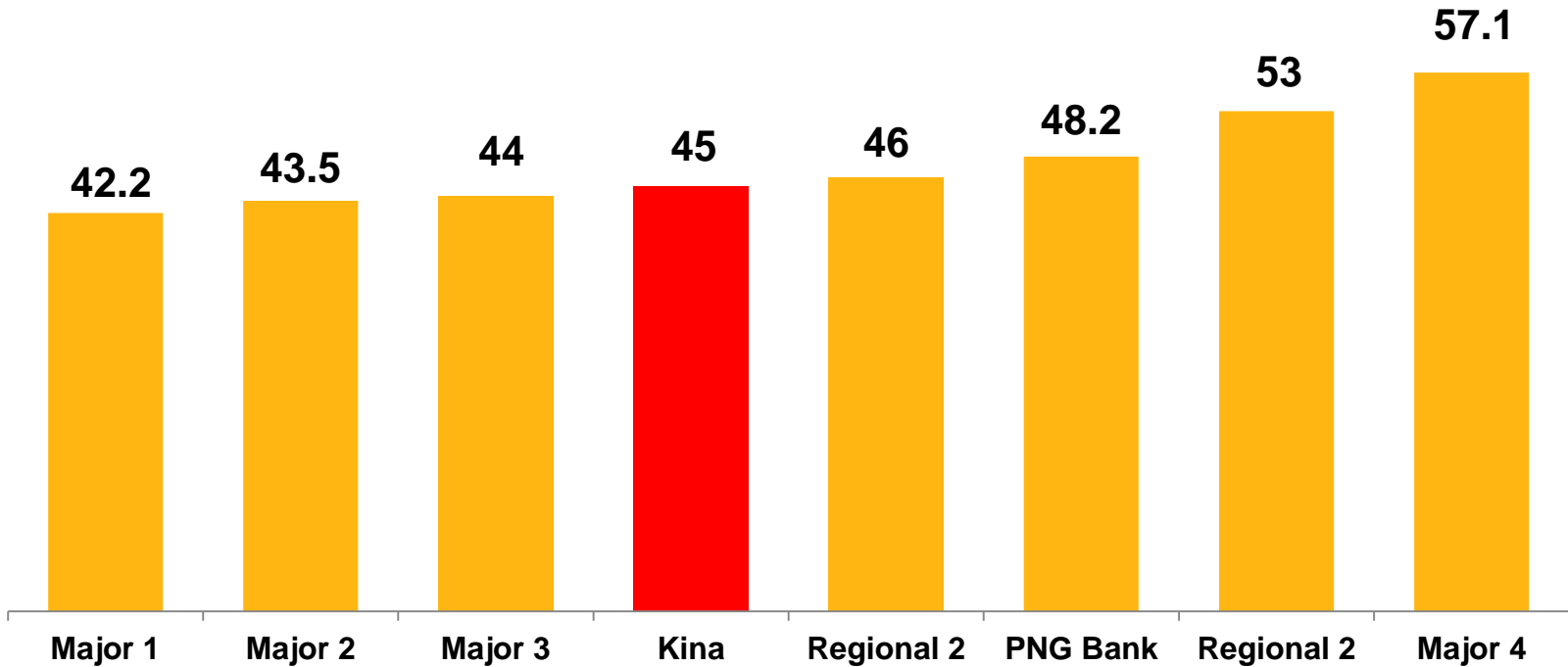
Net Interest Margin (%)



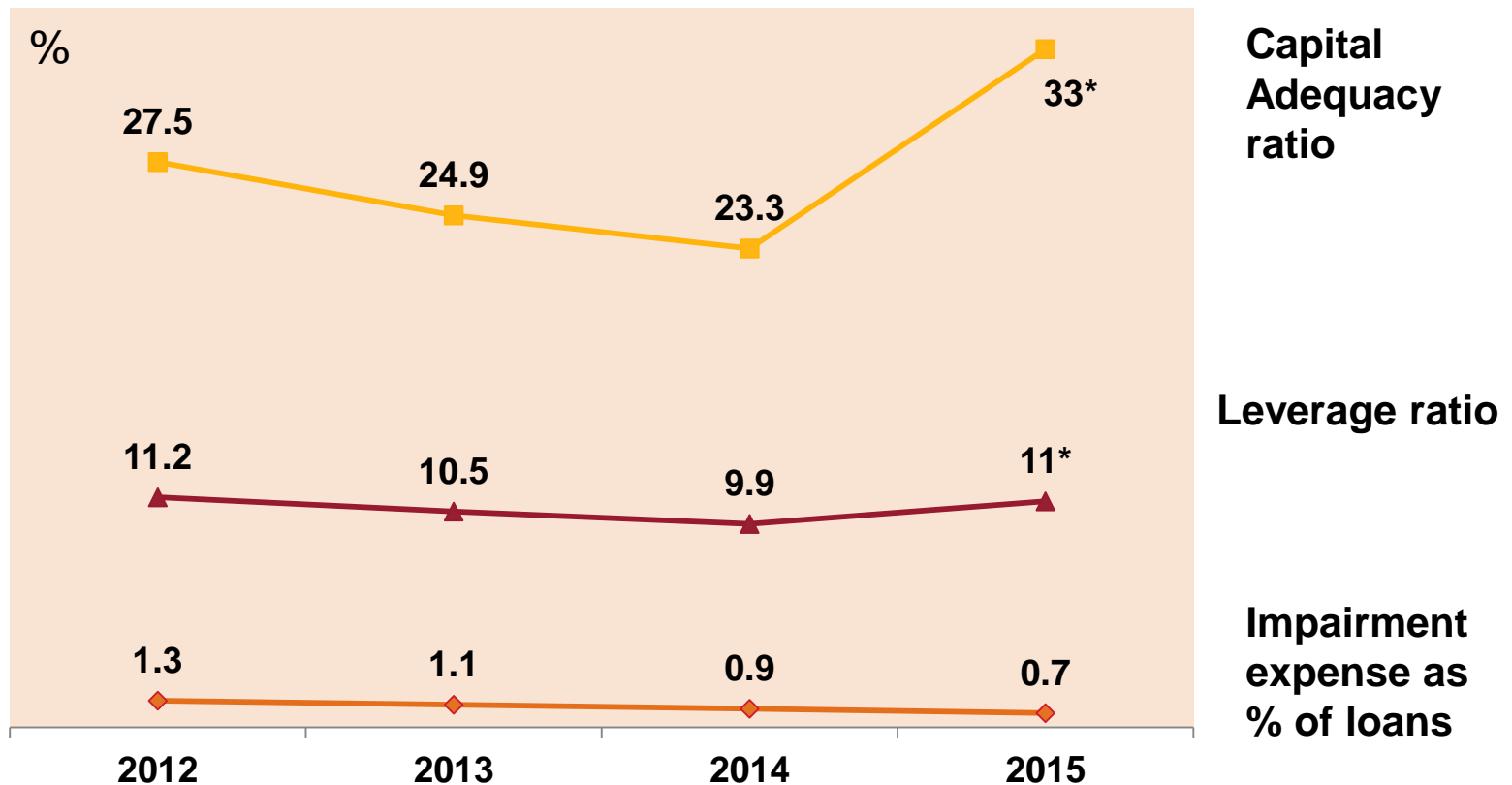
Source: Company Reports

Efficient cost management

Competitive cost to income ratio (%)

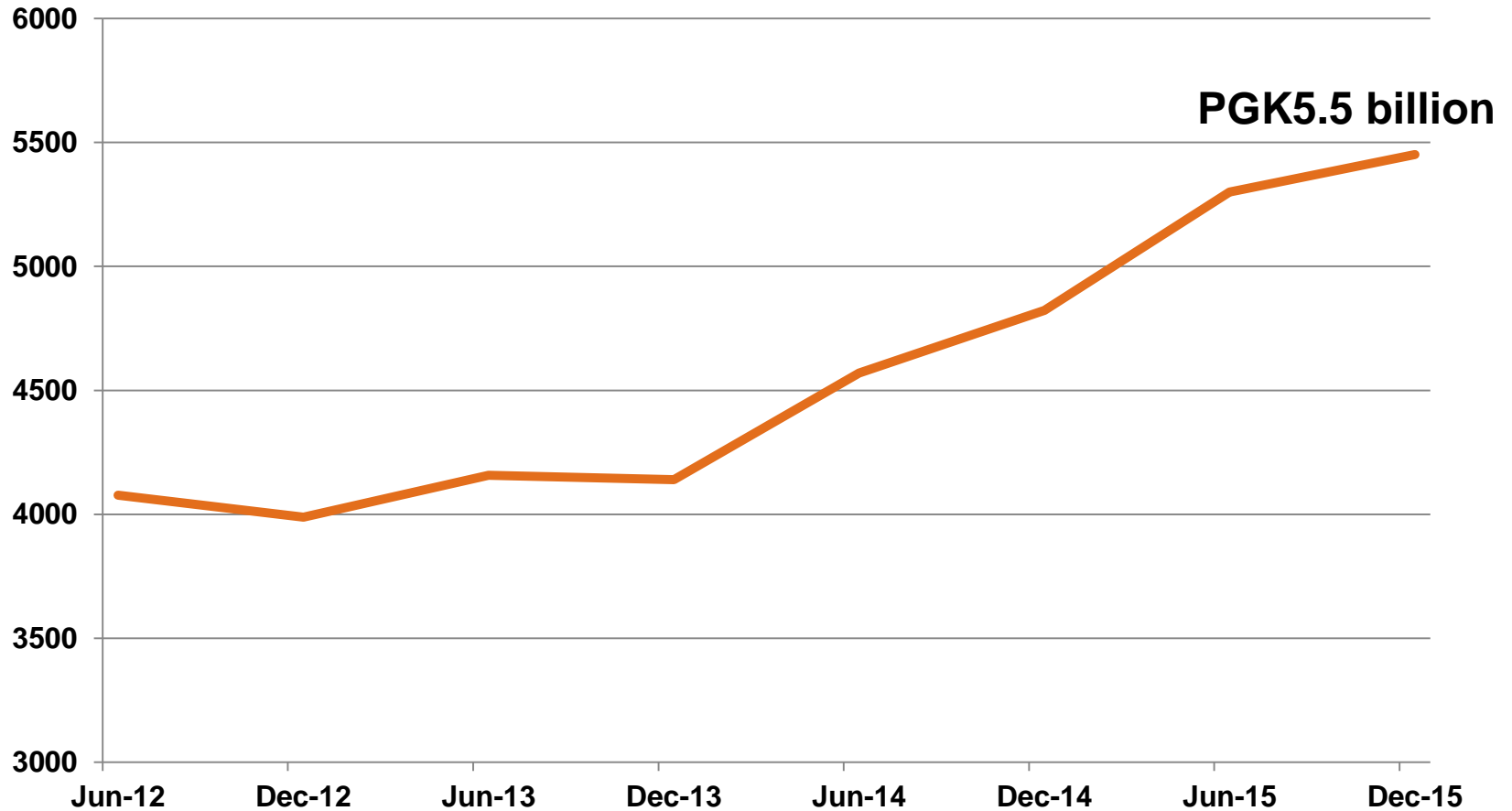


Low bad debts, strong capital adequacy



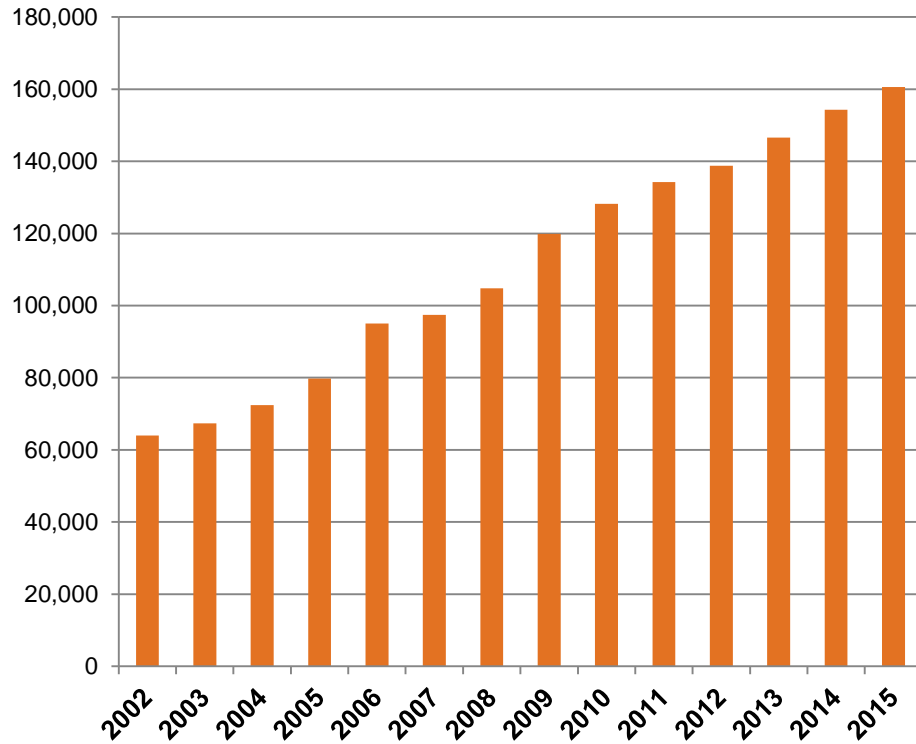
*Post 2015 final dividend

Kina Funds Under Management



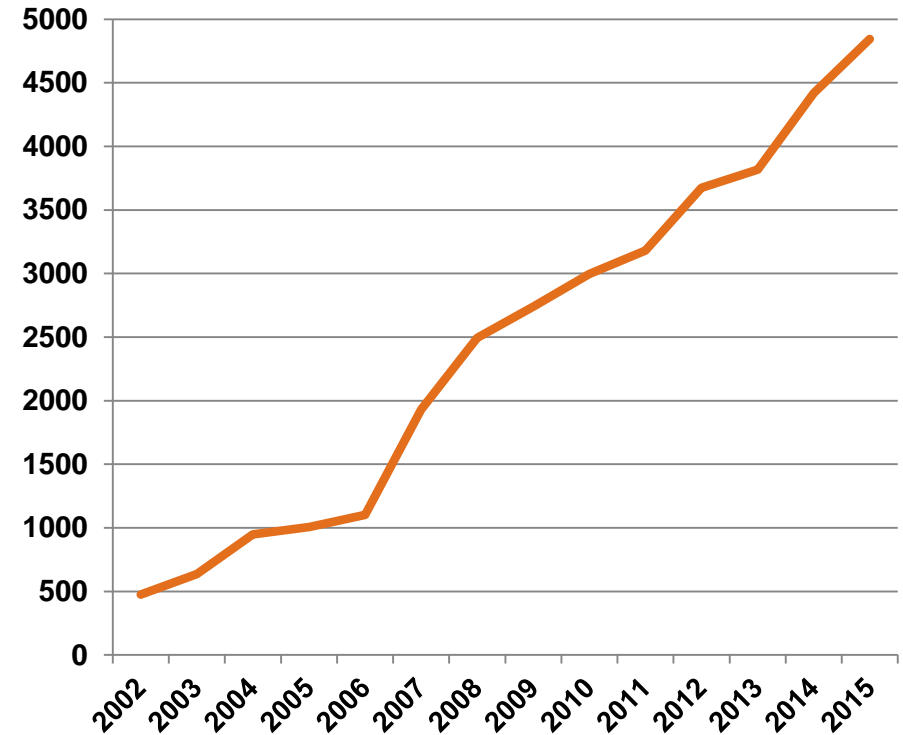
Kina Funds Under Administration

Member numbers






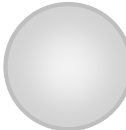
Funds Under Administration

PGKm



Synergies from the Maybank acquisition

PROGRESS

INVESTMENT PORTFOLIO OPTIMISATION¹	Reallocating investment portfolio into assets with higher returns and longer maturities	
COST OF FUNDING OPTIMISATION¹	Reduction in cost of funding due to enhanced scale and capital position	
EXPENSE SYNERGIES²	Expense synergies from the elimination of identified duplicated functions, consolidation of back-office operations and Lae branches – estimated at K3.0m-K4.0m profit before tax improvement	
REVENUE SYNERGIES	Increase in revenue from the cross sell of products across the combined customer base, including FX services to Kina's existing banking customers, and Kina insourcing its wealth management and operating cost FX requirements – estimated K7.0-K10.0m profit before tax improvement	

Note: 1. Incorporated in the FY15 prospectus forecast financials

Note 2. Excluding non-cash impact of amortisation of one-off integration costs

Integration and rebranding well advanced

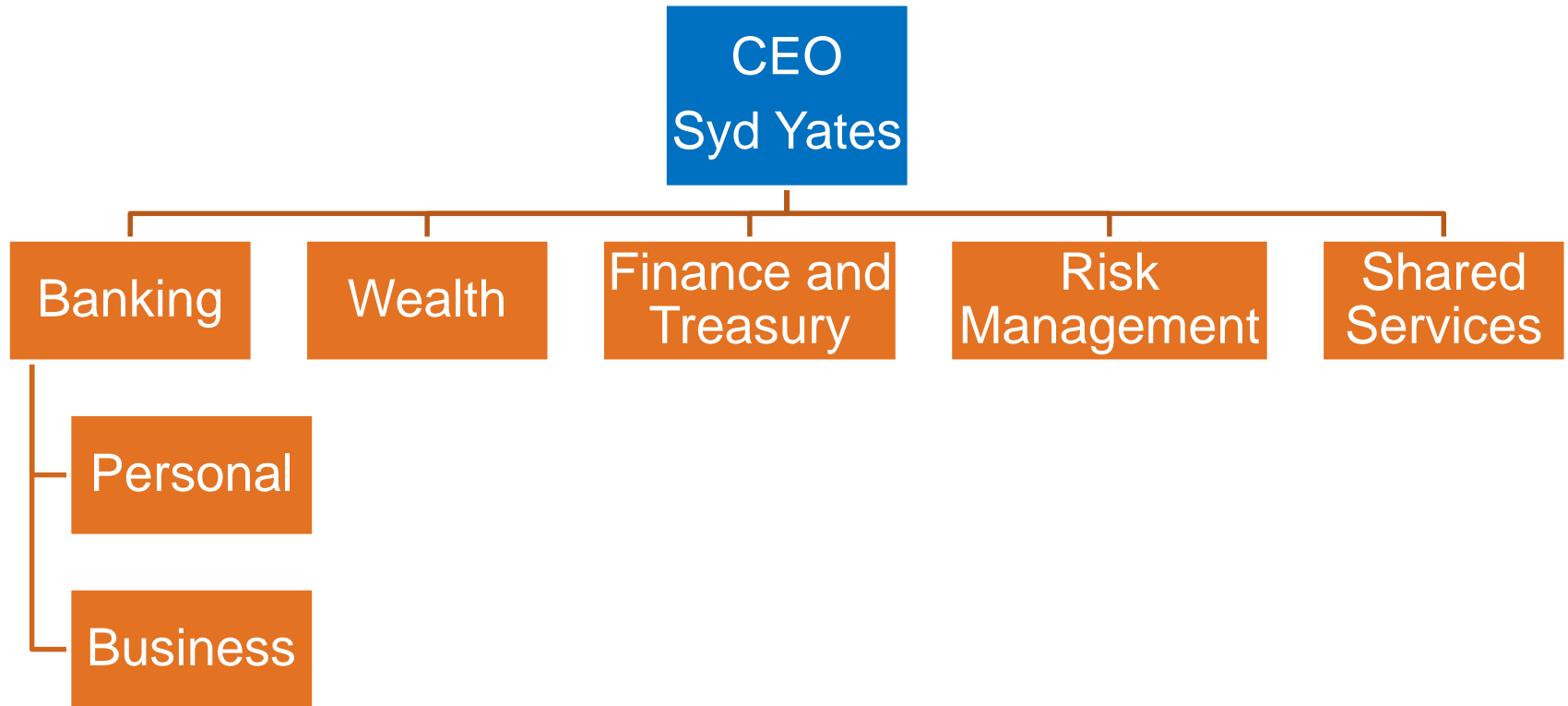


Before

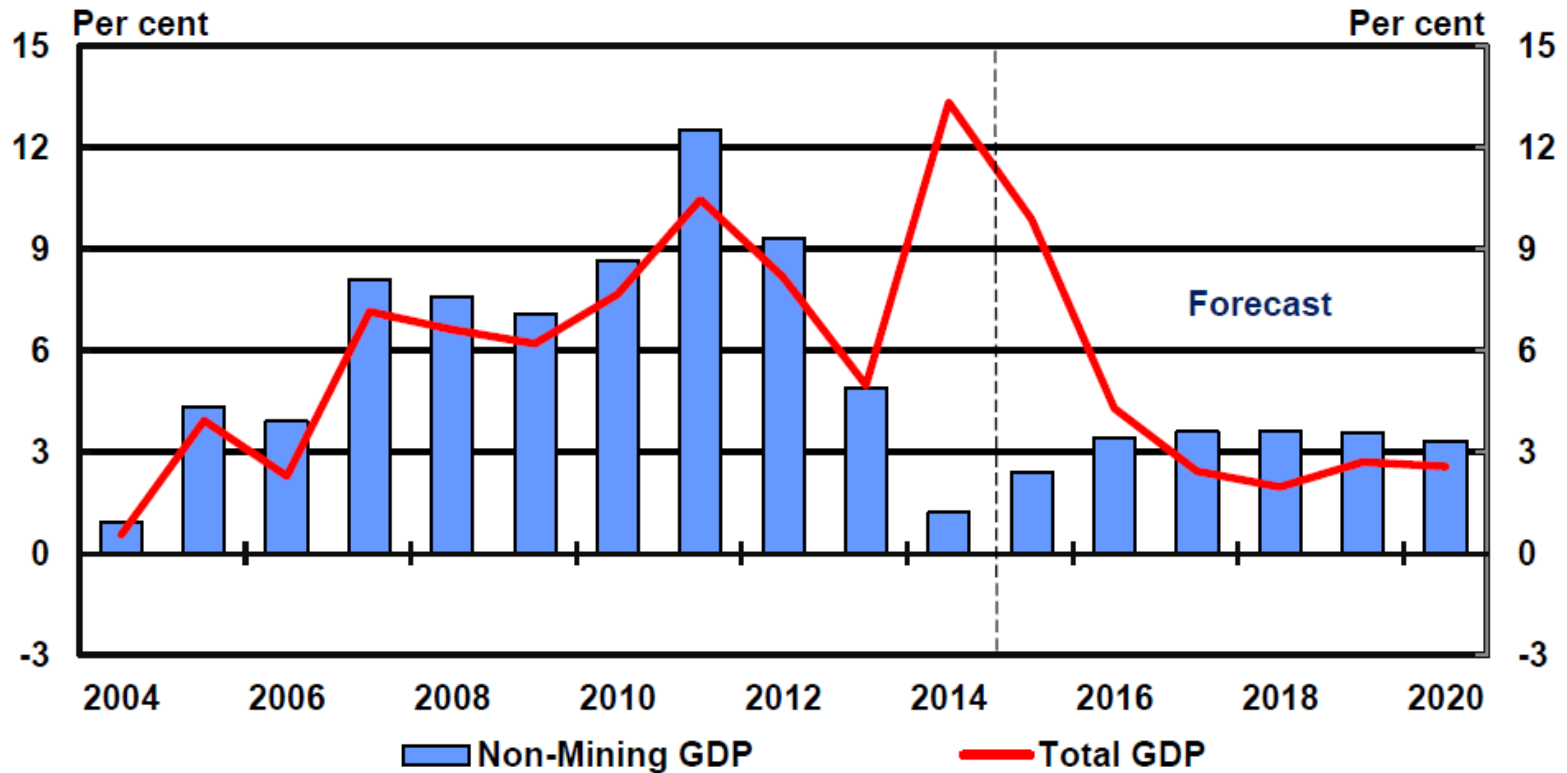


After

Management team strengthened



PNG – 4.3% growth forecast in 2016



Source: Department of Treasury

New developments lift public finances

- Ok Tedi mine back in production March 2016
- Drought ended in many regions
- New mining projects being advanced – Elk Antelope, Frieda River, Wafi Golpu
- Govt budget initiatives taking effect
- Sovereign Wealth Fund being established
- Financial Inclusion – less than 20% of the population has access to financial services



Outlook



At Kina, we believe in opportunity.
Opportunity for this generation and the next to prosper. Opportunity to build the life you choose for you and your family.

together it's possible

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 kina

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2016 guidance

- Net interest margin 8-10%
- Cost to income ratio < 45%
- Lending market share growth
- Deposit / loan ratio > 150%
- Conservative provisions
- Strong capital position
- Strong EPS growth



**Kina Exceeds Prospectus
Forecasts.
Full Year Results 2015**