



Kina Securities Limited

FULL YEAR RESULTS 2025

27 February 2026

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Contents.

Ivan Vidovich – CEO &
Managing Director



Johnson Kalo – Chief Financial
Officer



Overview.

Statutory NPAT

K121m

+20%

Underlying NPAT

K126m

+15%

Revenue

K546m

+13%

Operating Costs

K298m

+4%

Return on Equity

17.4%

+200bps

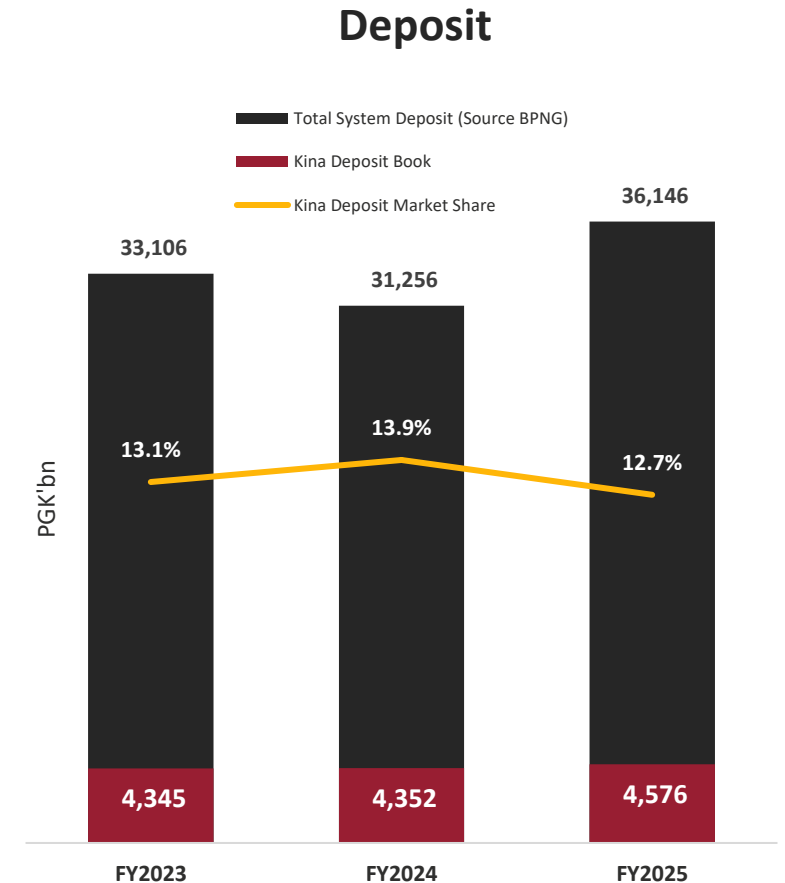
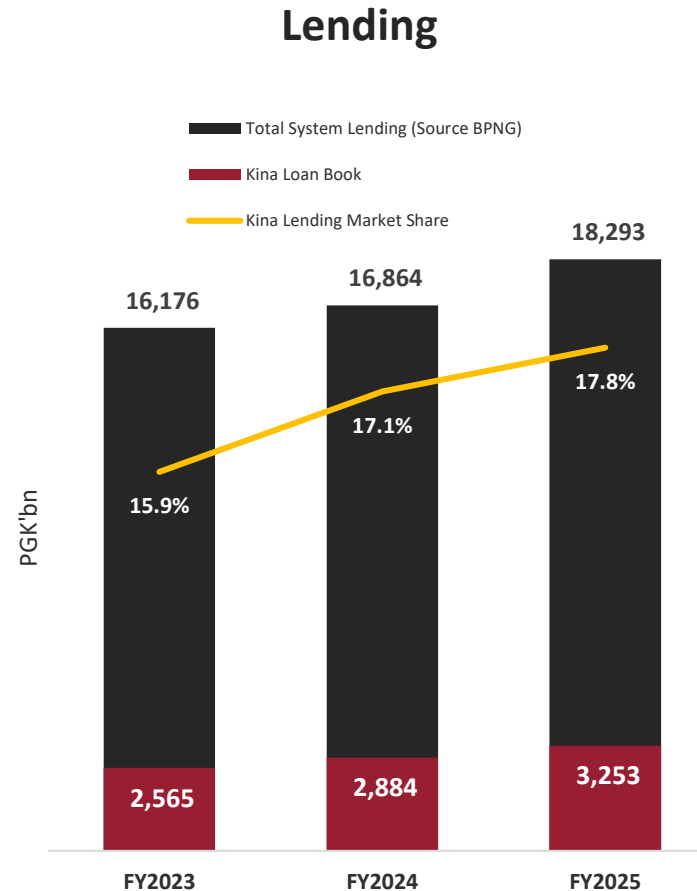
Final Dividend Per Share

19 toea

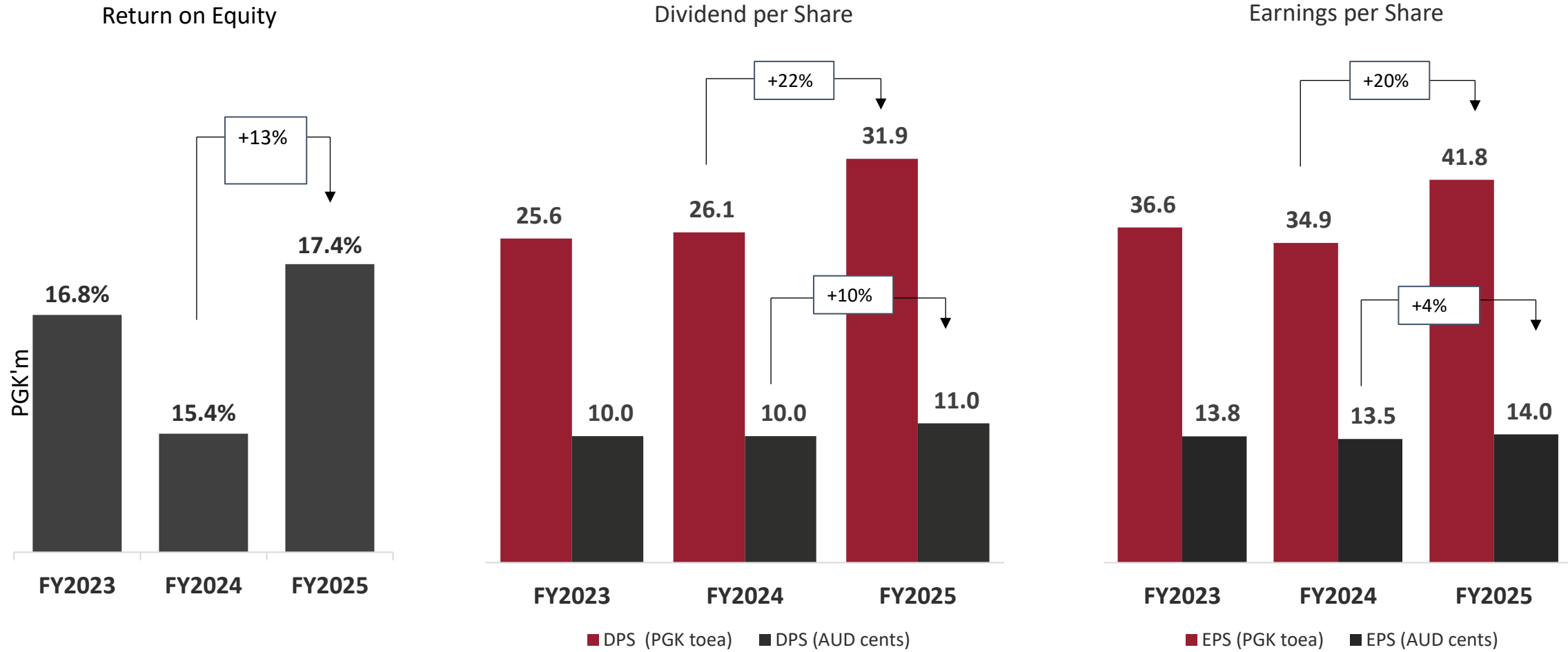
[6.5 cents] +25%

Market Share.

- Strong loan growth in second half, up 17.8% on PCP, driven by commercial lending.
- Deposits have risen to plan from K4.3b to K4.6b. The spike in system deposits is largely due to an increase in government deposits resulting in reduced Kina market share.



Shareholder Returns.



FY2025 Results.



Financial Highlights.

Revenue

K545.5m
(K484.9m) ↑13%

Statutory NPAT

K120.7m
(K100.3m) ↑20%

Underlying NPAT

K126.2m
(K109.5m) ↑15%

Shareholder Returns

- Final Dividend: **19.3 toea** (6.5 cents) and full year of **31.9 toea** (11.0 cents) +22%.
- Earnings per share increased by 20% to **41.8 toea**.

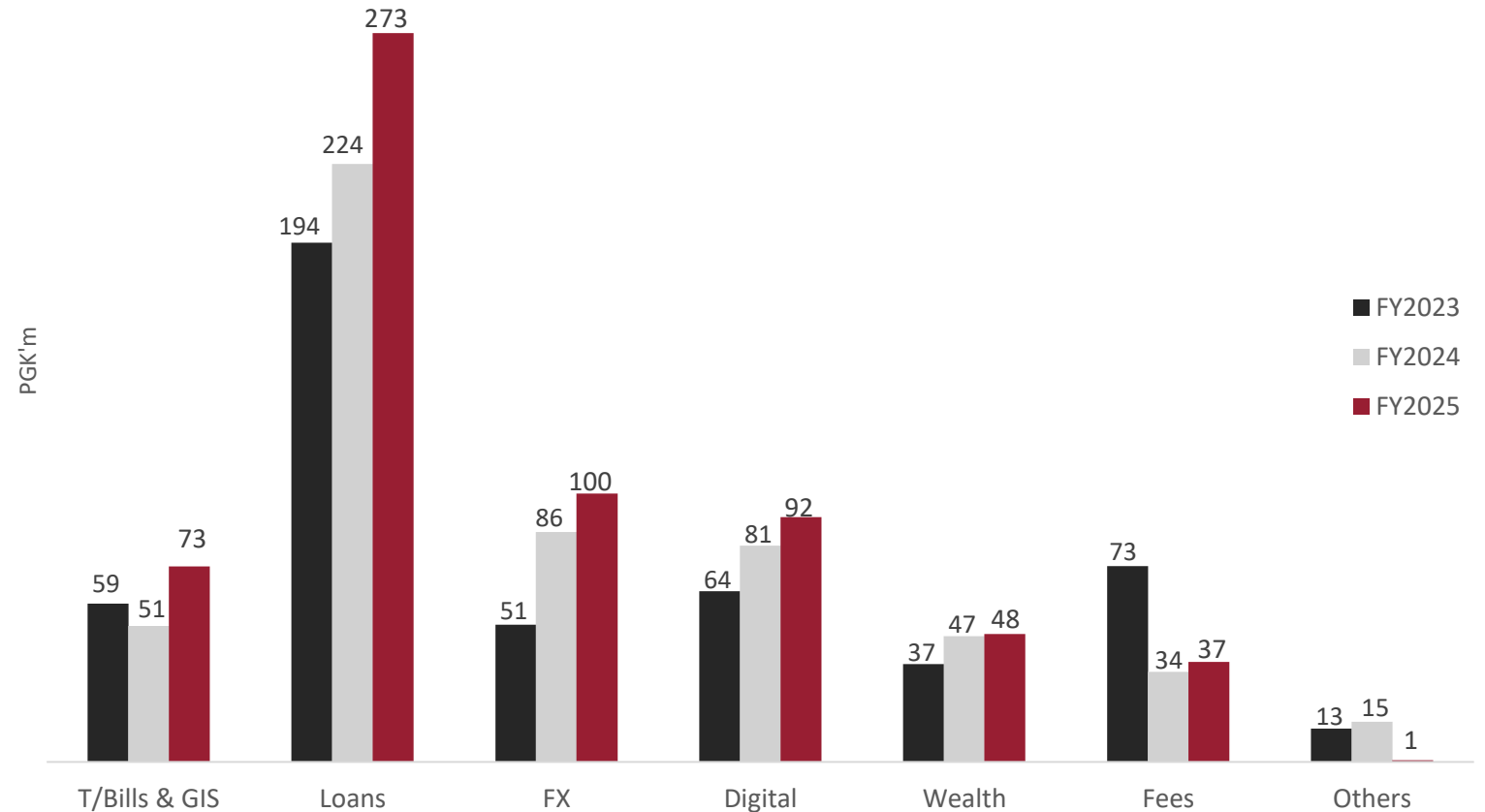
Efficient Growth

- Return on Equity increased by 200bps to **17.4%**.
- Total capital ratio above regulatory threshold at **17.1%**.
- Cost to Income Ratio improved from **59.1%** to **54.7%**.

Revenue + 13%.

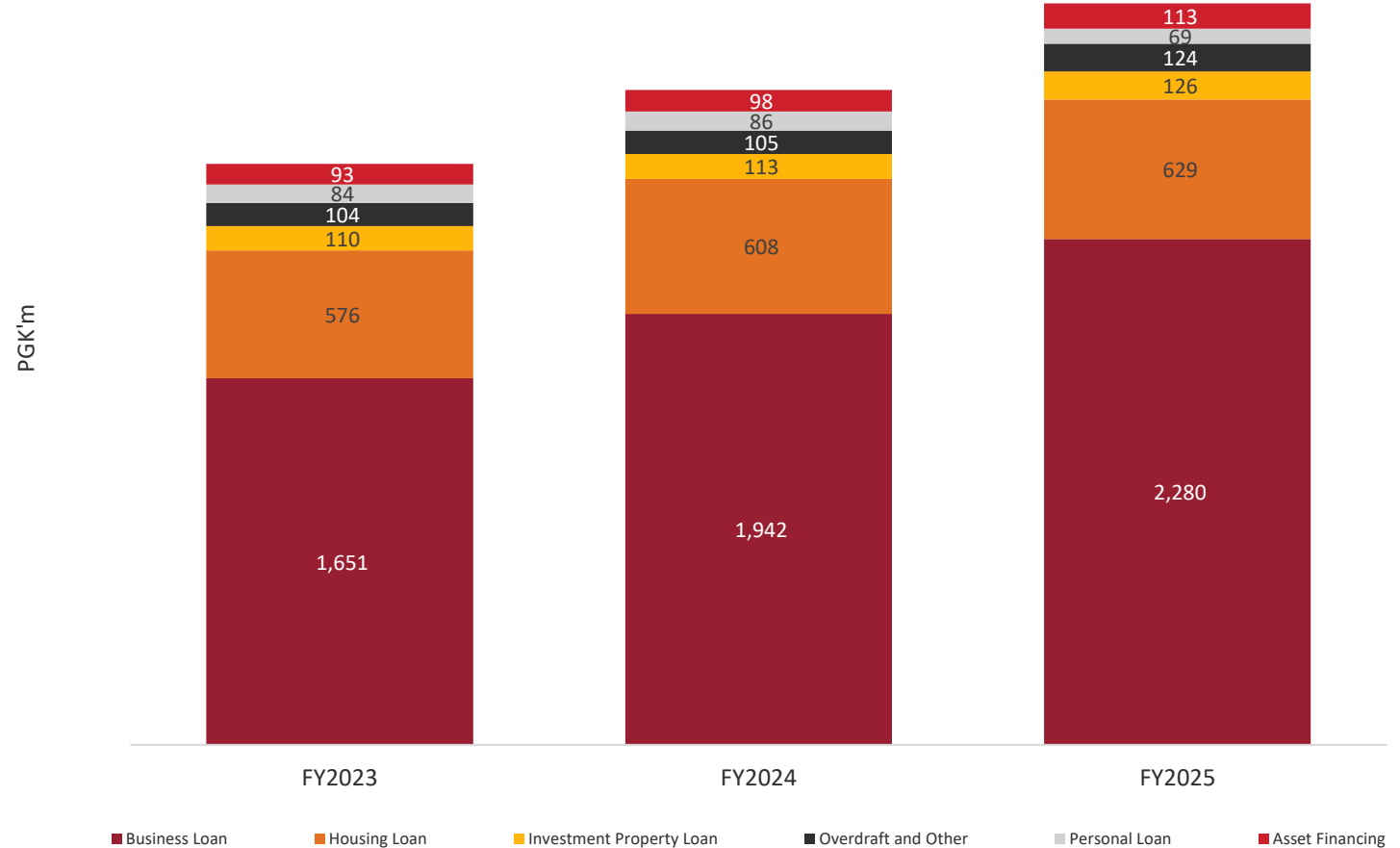
- Key revenue drivers:

- Treasury Bills & Govt. Inscribed Stock income +44%
- Net interest income + 22%
- Foreign Exchange income +17%
- Digital income +13%



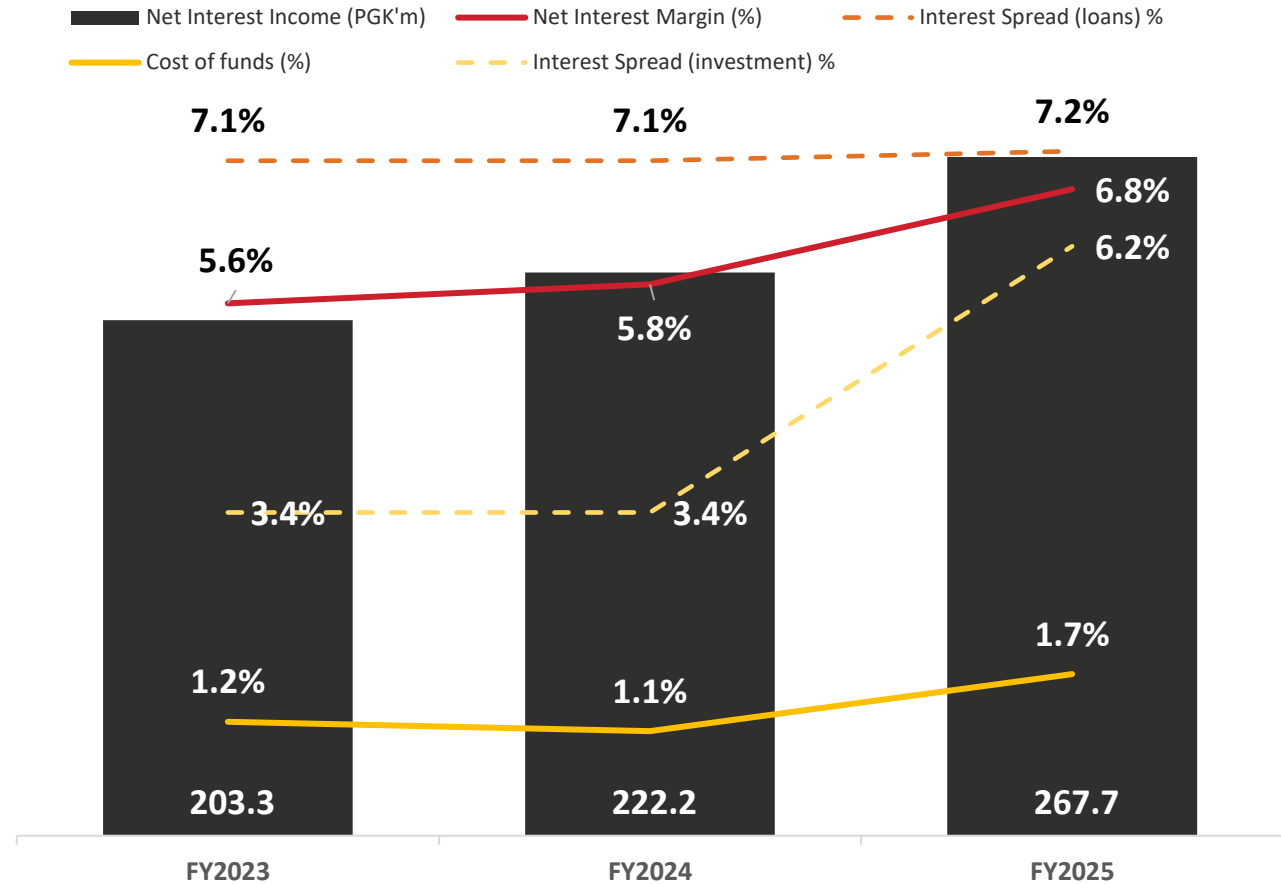
Lending income +22%, Loan Book +13%.

- Strong loan growth of 13% vs PCP
- Key drivers:
 - Business loans (+17%)
 - Asset financing (+16%)
 - Investment property (+11%)
 - Home loans (+4%)

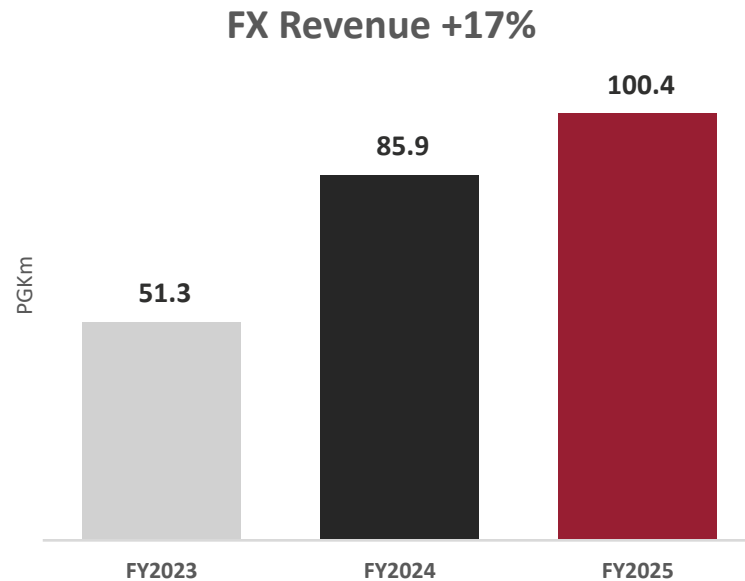


Net Interest Income.

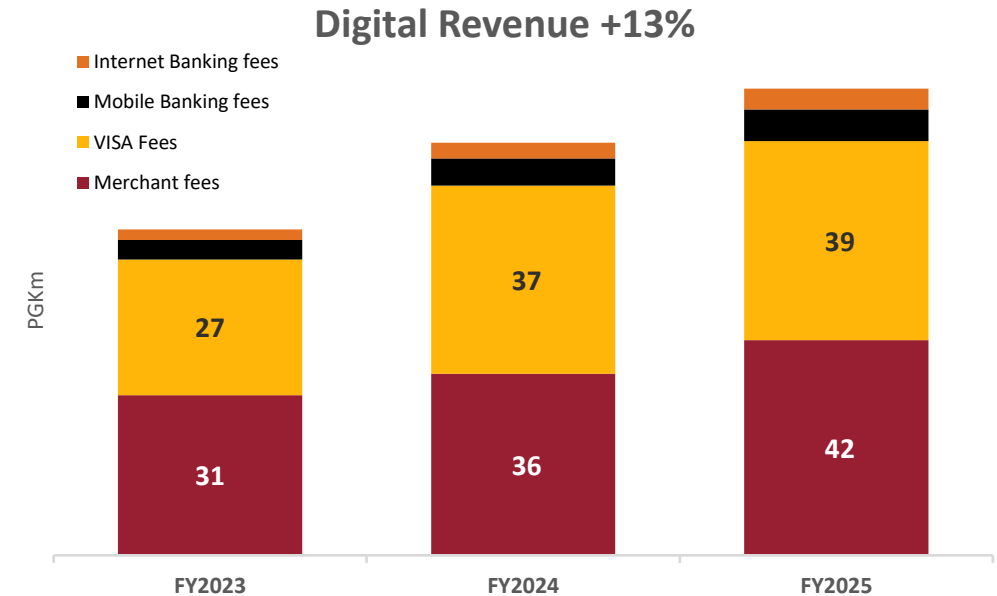
- Loan yields improved following IFRS9 aligned re-estimation of interest income.
- Higher Treasury Bill yields further supported asset returns.
- These gains were partly offset by a planned increase in the cost of funds to strengthen the bank's funding base.



Non-Interest Revenue.



- Strong FX activity.
- Higher commodity prices driving increased FX flow from key export sectors.
- Maturing interbank market.



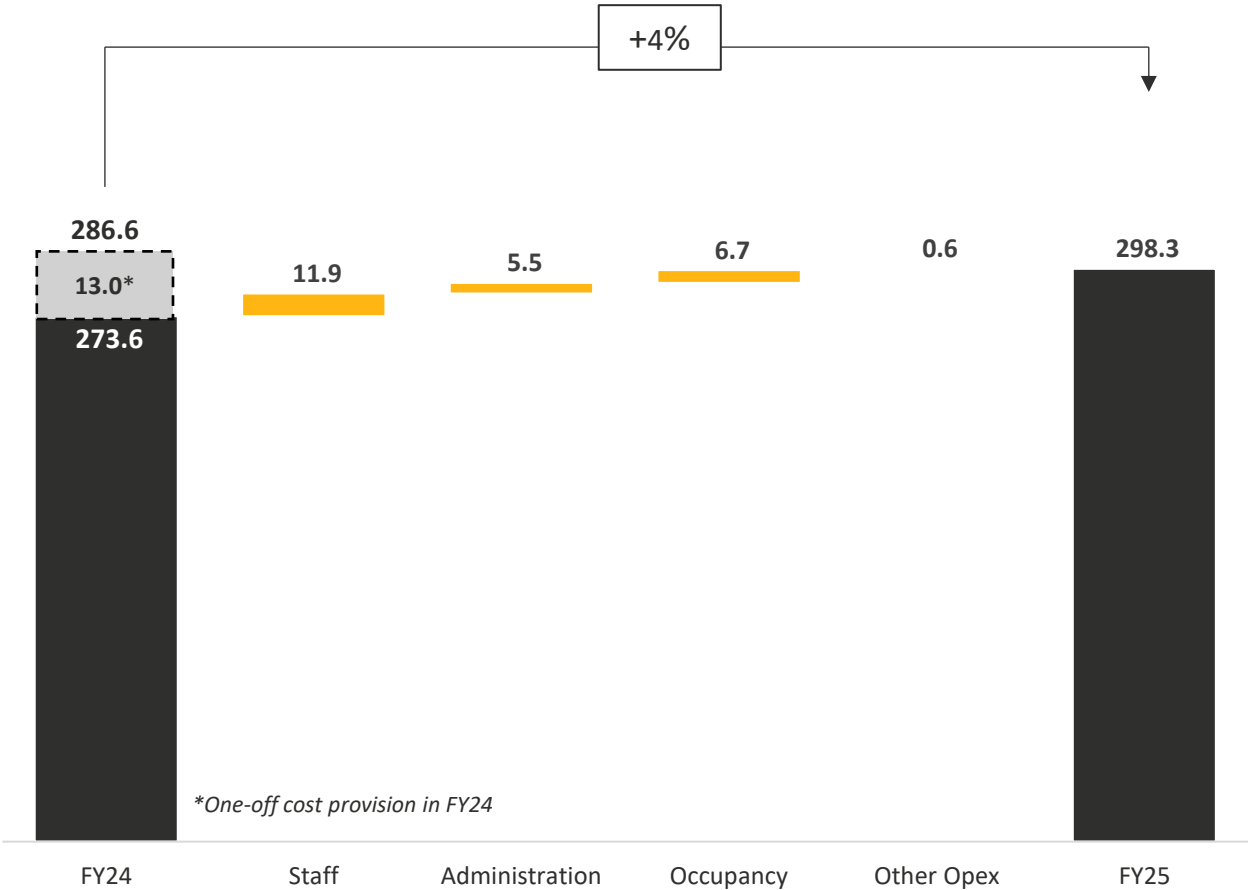
- Digital and partnership income up 13%, driving fee growth.
- Strong increases across key channels: merchant acquiring +19%, internet banking +32%, and mobile banking +17%.
- Visa income grew modestly by 6%, with partnership initiatives underway to restore stronger growth.

Operation Costs + 4%.

Investment in:

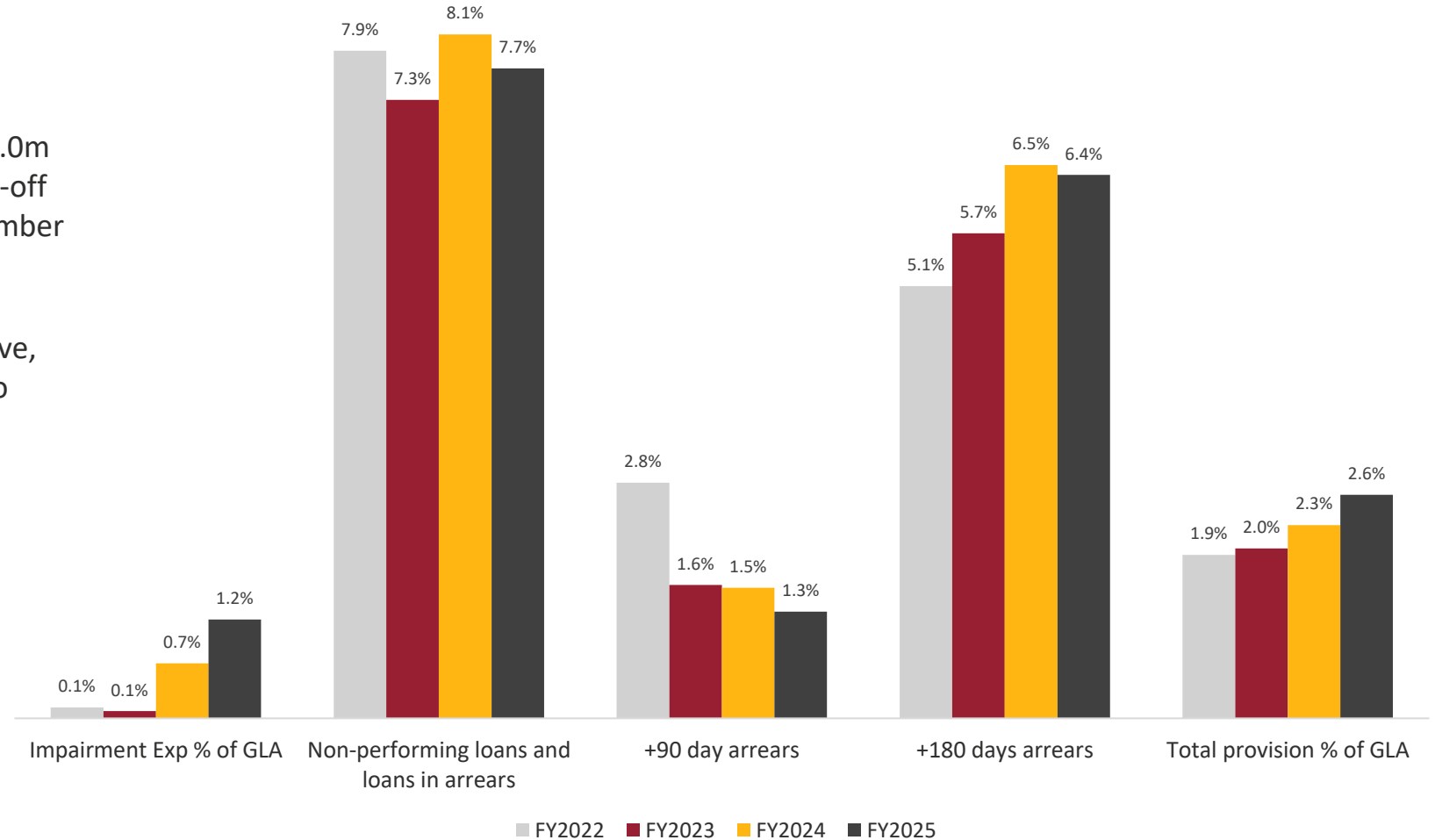
- Senior leadership and specialist capabilities in strategy, risk, IT and innovation.
- AML and CTF capability.
- Technology and network infrastructure resilience.
- Credit maturity.

Incremental investments to continue in FY26.



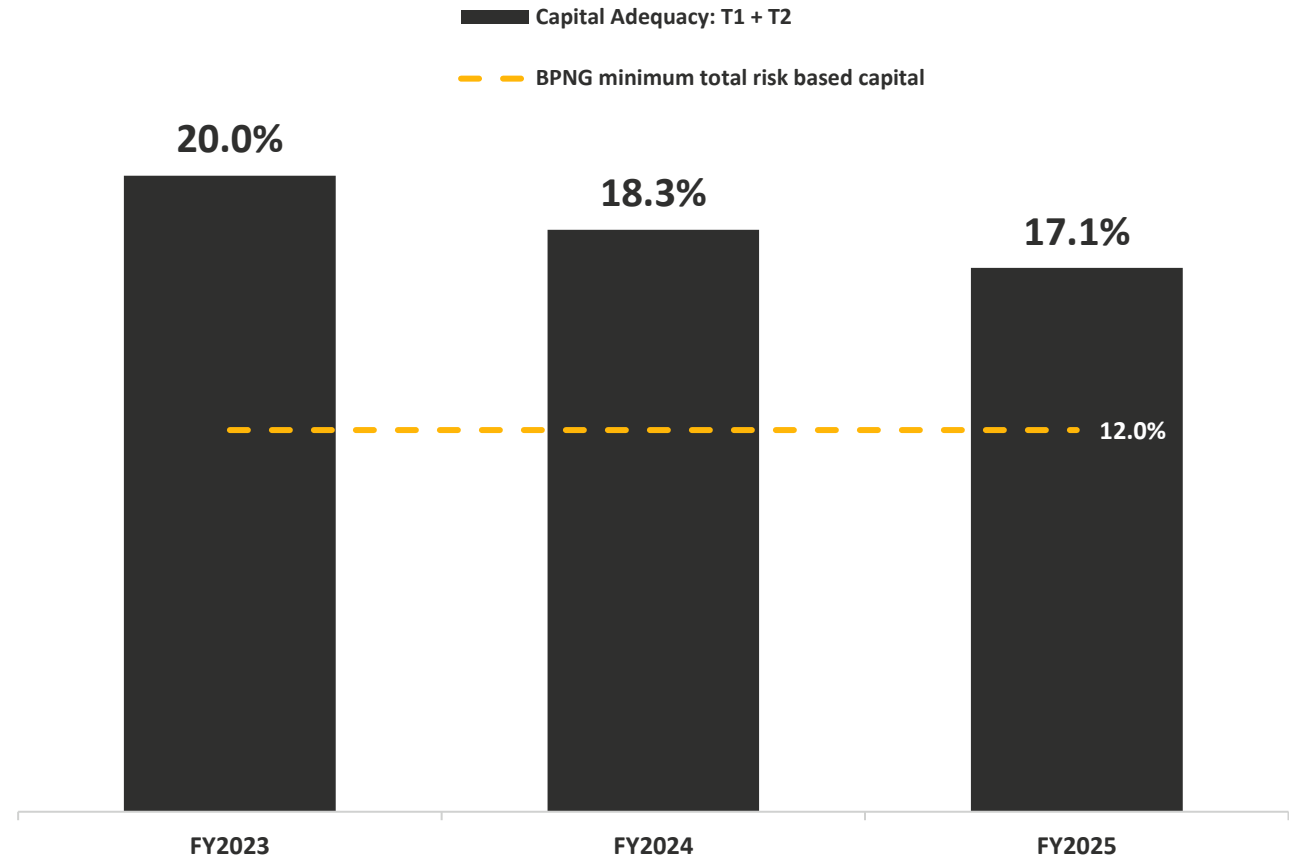
Asset Quality.

- Impairment expense was PGK 39.0m (1.2% of GLA) and includes a one-off K19.7m increase to address a number of aged non-performing loans.
- Asset quality continued to improve, with the NPL ratio down 40bps to 7.7% and GLA coverage at 2.6%, providing a strong buffer against credit losses.



Capital Adequacy.

- Capital adequacy ratios remain healthy and above BPNG's *Well Capitalised* classification.
- As a growing bank, we continue to make efficient use of our capital base.
- Corporate bond planned for release in FY26 to increase Tier 2 capital base, supporting growth over the medium term.



Strategy & Outlook.



2030 Strategy.

Purpose: Creating Brighter Futures.

Vision: To be the most trusted financial services partner for the people, communities, and the markets that we serve.

Strategic Priorities



Customer First

Dedicated to serving customers and improving what we do every day.



Growth through Innovation

Leading the market with innovation at the core of products, and services.



Empowered Team

Our team members have clear roles, are supported by leadership, and have opportunities to grow.



Serving Communities

Committed to enhancing prosperity for our stakeholders while making a positive impact in our communities.



Operational Excellence

Process improvements and digital solutions to enhance simplicity, efficiency and competitiveness.



Governance for Growth

Governance, Risk, and Compliance practices that demonstrate our responsibility and support sustainable growth.

Values for C.H.A.N.G.E

Courage

We speak up and challenge ourselves to do better.

Heart

We take pride in serving our customers and colleagues.

Accountability

We own it, act decisively, and finish what we start.

Nambawan

We are one team.
Together It's Possible.

Growth

We learn and improve every day.

Excellence

We are the best at what we do.

Strategic focus 2026/2027.

- Organic growth in target segments
- Optimised capital planning
- Culture development program
- Customer experience, and process efficiency
- Inorganic growth options

Sustainable Communities.

- **Strongim Komuniti Grant (SKG) program:** Kina Bank team members participated in 10 projects across provincial PNG in 2025, including:
 - 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
 - Festive visit to Cheshire DisAbility Services
 - Medical equipment to clinics in Hohola and Konedobu.
- **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.



Economic Update.

PNG will remain the Pacific powerhouse, offering access to a growing economy and a growing pool of customers.

Macroeconomic growth remains relatively stable in the medium-term

3.4% growth is forecast over medium-term. There is upside if the resource projects start, with the TotalEnergies-led Papua LNG scheduled in 2026.

Resource sector driven by strong gold prices

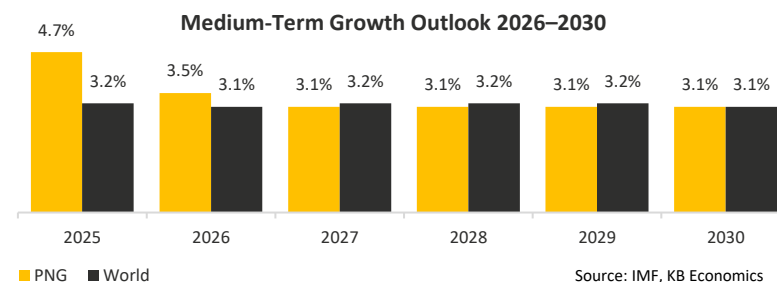
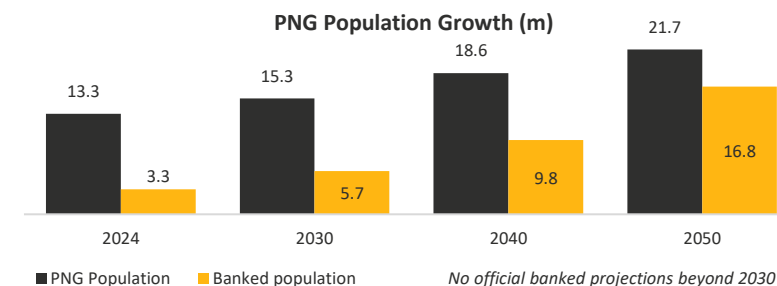
The recent geo-political uncertainties that have led to a sharp increase in gold prices will benefit PNG's resource sector. Coupled with the ramping up of output at Porgera and Ok Tedi, we anticipate more FX inflows and fiscal deficit control.

Retail and Wholesale sector

The retail and wholesale sector continues to spur economic activity due to strong consumer demand. Fiscal relief from Government with GST exemptions on staples has also assisted households, keeping consumer demand high.

Agriculture export volume growth

Deliberate investments in cocoa and coffee over the past five years are starting to come to fruition, with real volumes to increase in the medium-term. Coupled with an accommodative exchange rate, PNG small-holder farmers are positioned to benefit from a global shortage of its major agriculture exports.



National Statistical Office & United Nations Population Fund
https://png.unfpa.org/sites/default/files/pub-pdf/population_projections_document_a4_portrait_1.pdf
<https://www.adb.org/where-we-work/papua-new-guinea/economy>
<https://www.bankpng.gov.pg/sites/default/files/2024-11/BPNG-Vision-2050.pdf>

Economic Update.

FX convertibility

The Bank of PNG's 'crawling-peg' regime to restore FX convertibility has improved waiting times for importers, with import 'order books' now cleared daily. The aim of currency equilibrium is in sight, with capital repatriation for large investors now being addressed.

Inflation pressures in medium-term

Imported inflation pressures will rise in the near term with US dollar volatility and a strengthening Australian dollar leaning towards a depreciation in the PGK/AUD spot exchange rate. Forecasted inflation of 5% has been closely monitored and controlled through careful exchange rate management.

Major resource project update

Papua LNG project preparations are progressing, with a mandatory stakeholder forum scheduled in H1/2026 prior to license issuance and Final Investment Decision. Medium-term economic growth is expected with major capital injection for the LNG resource development totalling US\$27 billion.

PNG's Grey Listing

Papua New Guinea was added to the Financial Action Task Force (FATF) Grey List on 13 February 2026, following FATF's confirmation of strategic deficiencies in the country's AML/CFT framework. This places PNG under increased monitoring as it works through the required reforms. KSL continues to work closely with the regulator, government agencies, corporate and public-sector stakeholders, customers and correspondent banks as part of the national program to address FATF's findings and return PNG to normal classification. Kina does not expect the Grey Listing to have any material financial impact on its operating performance, nor to impose any substantive constraints on the execution of its strategy.

Resource Project pipeline starting in 2026

Project	CAPEX Cost (US\$' bn)	Start Date
Papua LNG (Total Energies)	10	2026
P'nyang LNG (ExxonMobil)	12	2027
Wafi-Golpu Gold Mine (Newmont)	5	2028

Sources: Business Advantage International, KFM Economics

Outlook and summary.

We anticipate another year of earnings growth in 2026.

Key drivers are expected to include:

- Revenue uplift across our diversified portfolio, aided by a strengthening economy, and our continued efforts to grow market share in a targeted and risk aligned manner;
- Ongoing progress in becoming a more efficient organisation;
- Selective investment into capabilities for longer term growth and resilience;
- Issuance of our Tier 2 capital corporate bond;
- Scheduled reduction in the statutory corporate tax rate for banking operations, decreasing from 40% in 2025 to 35% in 2026, and;
- Headwinds including lower yields on government securities and a larger, more competitive FX market that may place pressure on margins and further depreciation of the PGK vs AUD exchange rate.

Appendices.



Board of Directors.



Ian Clough
Non-Executive & Chairman of the Board
Appointed: July 2024



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



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



Andrew Carriline
Non-Executive Director
Chair of the Audit Committee, Chair of the Disclosure Committee and member of the Risk Committee
Appointed: August 2018



Jane Thomason
Non-Executive Director
Chair of Remuneration and Nomination Committee
Appointed: April 2018



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



Robert Nilkare
Non-Executive Director
Member Remuneration and Nomination Committee
Appointed: August 2025



Lutz Heim
Non-Executive Director
Member of Audit Committee and member of Risk Committee
Appointed: August 2025

Executive Management.



Johnson Kalo
Chief Financial Officer &
Company Secretary



Rayna Heckenberg
Chief Risk Officer



Rina Antonio-Jang
Chief Operating Officer



Paul Sayer
Executive General Manager
Wealth Management



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*

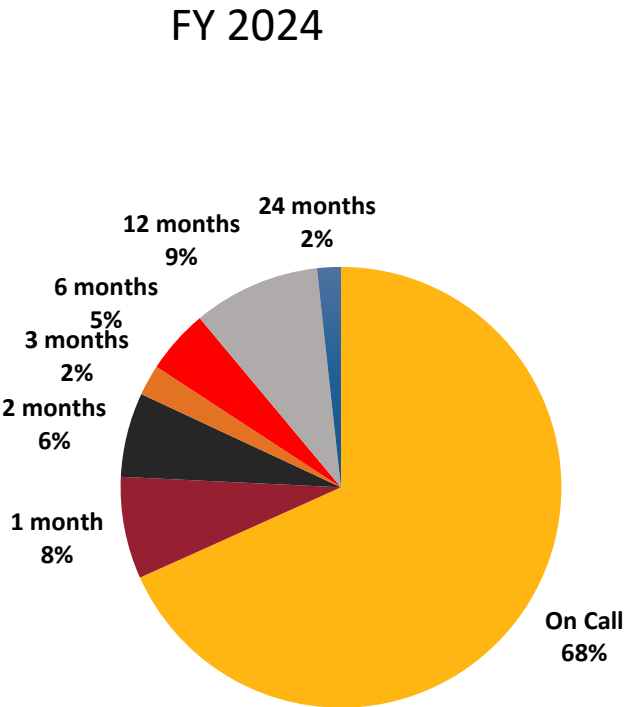
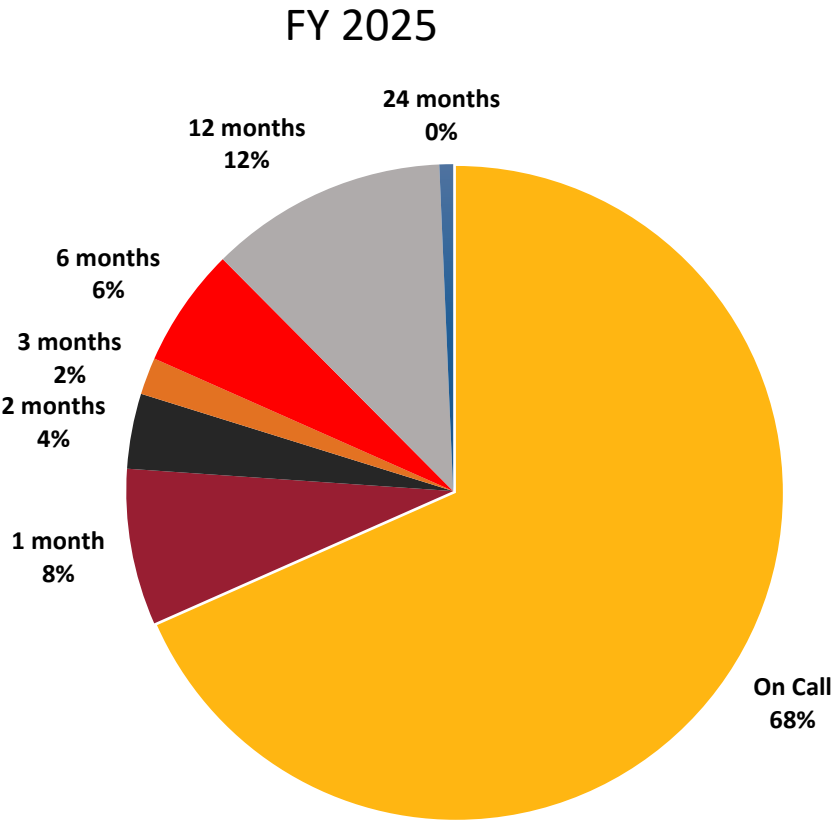
Corporate Tax.

- 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 33%, down from 39% in FY25.
- KSL's deferred taxes at December 2025 were revalued at the new rate in line with IFRS resulting in an increase in tax expense of K5.5m in 2025 statutory NPAT.

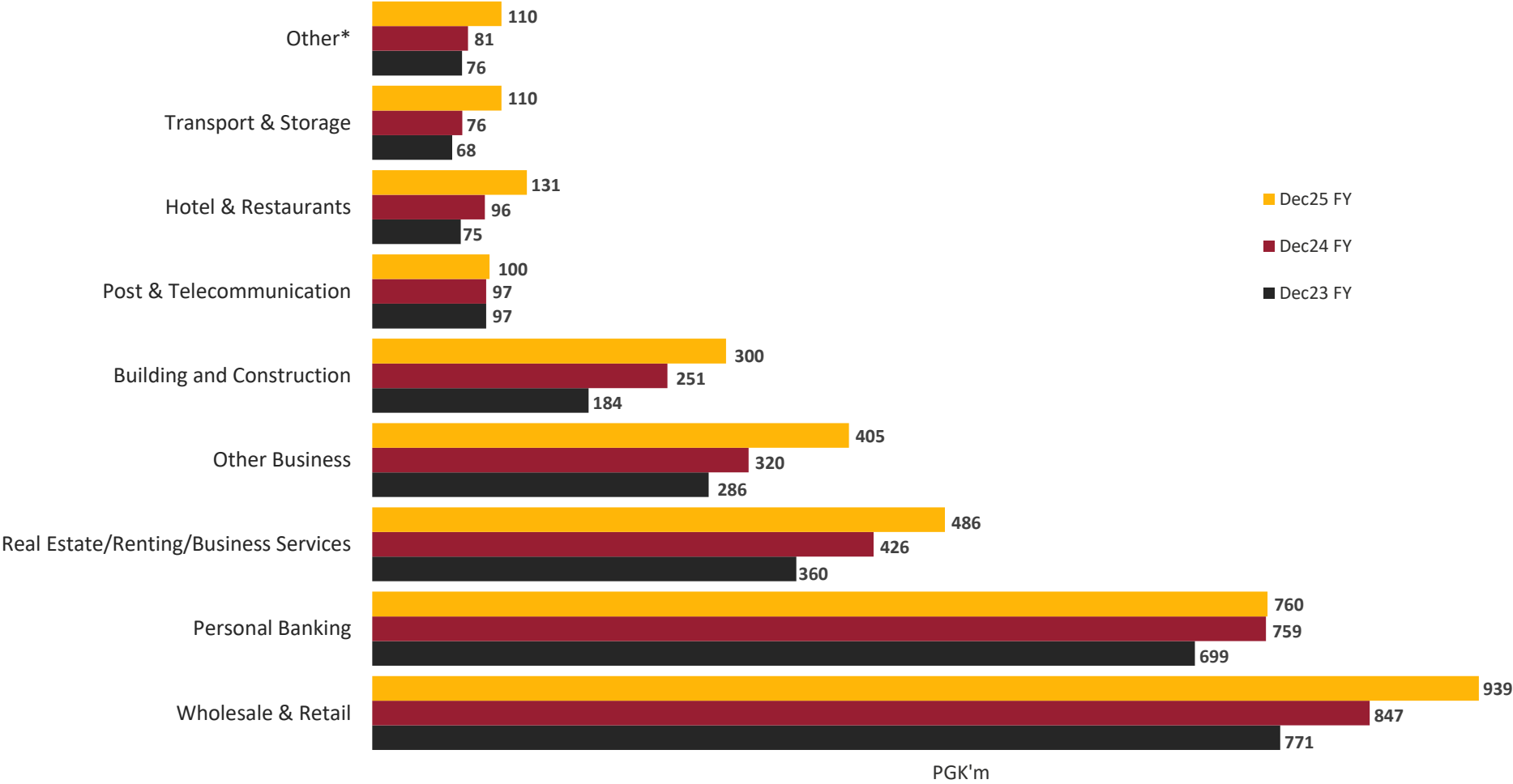
	2022	2023	2024	2025	2026
Standard CIT rate	30%	30%	30%	30%	30%
Small banks	30%	45%	45%	40%	35%
KSL blend	30%	42%	42%	39%	33%
Big banks*	30%	45%	45%	44%	43%

*Big banks: banks with annual earnings above PGK300m

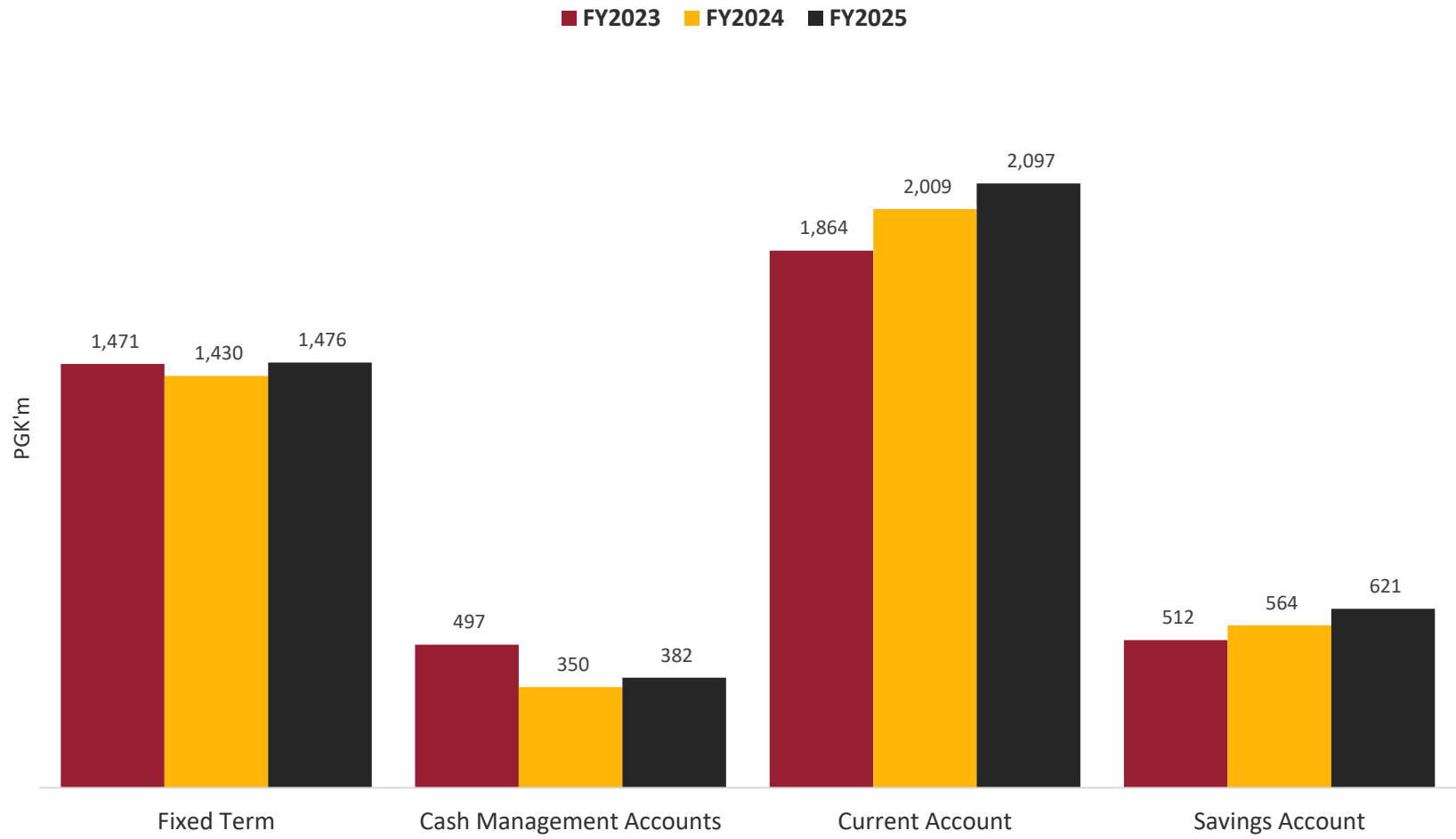
Deposit Tenure.



Loan Portfolio by Industry.



Deposits by Product.



Thank you.

