

For personal use only

**KINA SECURITIES LIMITED
AND ITS SUBSIDIARIES**

CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES

**CONTENTS OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024**

DIRECTORS' REPORT	1
INDEPENDENT AUDITOR'S REVIEW REPORT	2-3
DIRECTORS' DECLARATION	4
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	5
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS'EQUITY	6
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION	7
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS	8
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS	9 – 33

For personal use only

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2024

The Directors of Kina Securities Limited (the "Company", "Kina") and its subsidiaries (together the "Group"), submit herewith the financial statements of the Group for the half year ended 30 June 2024.

Principal Activities

The principal continuing activities of the Group during the half year were the provision of commercial banking and financial services (including asset financing, provision of commercial and personal loans, money market operations and corporate advice), fund administration, investment management services and share brokerage.

The Directors consider there are no unusual or other matters that warrant their comments and the Group's financial position and results from operations are properly reflected in these financial statements

Country of Incorporation

The Company was incorporated in Papua New Guinea on 14 October 1985 and has its principal place of business in Port Moresby, Papua New Guinea.

Registered Office

Its registered office is Level 9, Kina Haus, Douglas Street, Port Moresby, National Capital District, 121, Papua New Guinea.

Directors and Secretary

The names of the directors of the Company in office during the accounting period are:

I. Taureka, Chairman	P. Hutchinson
G. Pawson, Managing Director and Chief Executive Officer	J. Thomason
K. Smith-Pomeroy	R. Kimber
A Carriline	

The company secretary is J. Kalo.

Dividends

Dividends declared for the half year amounted to K 30,569,833 (and paid for the half year ended 31 December 2023 amounted to K 45,498,622).

Results

The operating profit attributable to equity holders for the half year for the Group was K 42,240,751 (2023: K 46,367,564).

Events subsequent to reporting date

Details of events subsequent to reporting date are outlined in note 29 in this Financial Report on page 33.

Signed at Port Moresby on behalf of the board on the 29th day of August 2024.



Mr Isikeli Taureka
Director and Chairman



Mr Greg Pawson
Managing Director and Chief Executive Officer

Independent Auditor's Review Report to the shareholders of Kina Securities Limited

Conclusion

We have reviewed the half-year financial report of Kina Securities Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed interim consolidated statement of financial position as at 30 June 2024, the condensed interim consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date and notes comprising a summary of material accounting policies and other explanatory information.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group is not:

- Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and
- Complying with International Accounting Standard IAS 34 *Interim Financial Reporting* and the *Companies Act 1997 (amended 2022)*.

Basis for Conclusion

We conducted our review in accordance with ISRE 2410 *Review of a Financial Interim Financial Information Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("the Code") issued by the International Ethics Standard Board for Accountants (IESBA) that are relevant to our review of the half-year financial report. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibilities for the Half-year Financial Report

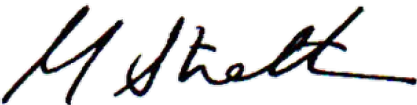
The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with International Accounting Standards IAS 34 *Interim Financial Reporting* and the *Companies Act 1997 (amended 2022)* and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with International Accounting Standard IAS 34 *Interim Financial Reporting* and the *Companies Act 1997 (amended 2022)*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



Mark Stretton
Partner
Chartered Accountants
Registered Company Auditor in Australia

Melbourne, 29 August 2024

DELOITTE TOUCHE TOHMATSU



Herbert Maguma
Partner
Chartered Accountants
Registered under the Accountants Act 1996

Port Moresby, 29 August 2024

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
DIRECTORS' DECLARATION
FOR THE HALF YEAR ENDED 30 JUNE 2024

The Directors declare that:

- in the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- in the Directors' opinion, the attached condensed interim consolidated financial statements and notes thereto give a true and fair view of the financial position and performance of the Group in compliance with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

Signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors



Mr Isikeli Taureka
Director and Chairman
Port Moresby



Mr Greg Pawson
Managing Director and Chief Executive Officer
Port Moresby

on the 29th day of August 2024.

For personal use only

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME FOR THE HALF YEAR ENDED 30 JUNE 2024

	Notes	Consolidated	
		2024	2023
		Unaudited	Unaudited
Continuing operations		K'000	K'000
Interest income		134,230	123,444
Interest expense		(22,655)	(25,362)
Net interest income	3	111,575	98,082
Fee and commission income		74,633	64,604
Fee and commission expense		(63)	(13)
Net fee and commission income	4	74,570	64,591
Foreign exchange income		37,037	21,552
Dividend income		135	149
Net (loss)/ gain from financial assets at fair value through profit and loss		1,696	(310)
Other income	5	2,495	3,321
Operating income before impairment losses and other operating expenses		227,508	187,385
Expected credit losses on financial instruments at amortised cost	6.1	(7,753)	(4,292)
Administrative and operating expenses	7	(147,445)	(105,373)
Profit before tax		72,310	77,720
Income tax expense	8	(30,069)	(31,352)
Net profit for the period		42,241	46,368
Other comprehensive income		-	-
Total comprehensive income for the period		42,241	46,368
		2024	2023
Earnings per share - basic (toea) (Note 20 (b))		14.7	16.2
Earnings per share - diluted (toea) (Note 20 (b))		14.5	16.0

The notes on pages 9 to 33 are an integral part of these condensed interim consolidated financial statements.

For personal use only

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN
SHAREHOLDERS' EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2024

Consolidated	Share Capital	Share Based Payment Reserve	Retained Earnings	Total
	K'000	K'000	K'000	K'000
Balance as at 31 December 2022	394,693	2,477	212,133	609,303
Profit for the period	-	-	104,963	104,963
Employee share scheme – vested rights	-	(1,529)	-	(1,529)
Employee share scheme – value of employee services	-	2,073	-	2,073
Deferred tax on share-based payment transactions	-	(245)	-	(245)
Dividend paid	-	-	(74,242)	(74,242)
Balance as at 31 December 2023	394,693	2,776	242,854	640,323
Profit for the period	-	-	42,241	42,241
Employee share scheme – vested rights	-	(3,738)	-	(3,738)
Employee share scheme – value of employee services	-	1,010	-	1,010
Deferred tax on share-based payment transactions	-	1,271	-	1,271
Issued Capital	1,080	-	-	1,080
Dividend paid	-	-	(45,499)	(45,499)
Balance as at 30 June 2024	395,773	1,319	239,596	636,688

The notes on pages 9 to 33 are an integral part of these condensed interim consolidated financial statements.

For personal use only

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

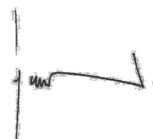
	Notes	Consolidated	
		30 June 2024 Unaudited K'000	31 December 2023 Audited K'000
Assets			
Cash and cash equivalents	9	241,053	396,840
Central bank bills	10	1,328,918	1,236,496
Regulatory deposits	11	548,739	433,274
Financial assets at fair value through profit and loss	12	37,593	35,816
Loans and advances to customers	13	2,645,018	2,562,078
Investments in government inscribed stocks	14	132,728	157,554
Deferred tax assets		44,968	35,099
Property, plant and equipment	15	69,510	71,954
Goodwill	16	92,786	92,786
Intangible assets	16	31,797	27,608
Other assets	19	147,231	129,829
Total Assets		5,320,341	5,179,334
Liabilities			
Due to other banks		4,509	13,912
Due to customers	17	4,473,949	4,344,571
Current income tax liabilities		24,222	11,461
Employee provisions		12,327	16,461
Lease Liabilities	18	32,474	33,775
Other liabilities	19	136,172	118,831
Total Liabilities		4,683,653	4,539,011
Net Assets		636,688	640,323
Shareholders' Equity			
Issued and fully paid ordinary shares	20a	395,773	394,693
Share-based payment reserve		1,319	2,776
Retained earnings		239,596	242,854
Total Equity		636,688	640,323

The notes on pages 9 to 33 are an integral part of these condensed interim consolidated financial statements.

These financial statements have been approved for issue by the Board of Directors and signed on its behalf by:



Mr Isikeli Taureka
Director and Chairman



Mr Greg Pawson
Managing Director and Chief Executive Officer

on the 29th day of August 2024.

For personal use only

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2024

	Notes	Consolidated 30 June 2024 Unaudited K'000	30 June 2023 Unaudited K'000
Cash flows from operating activities			
Interest received		136,499	115,548
Interest paid		(22,318)	(29,708)
Foreign exchange gain		37,037	21,552
Dividend received		135	149
Fee, commission and other income received		72,181	60,649
Fee and commission expense paid		(63)	(13)
Net trading and other operating income received		6,814	4,350
Recoveries on loans previously written-off		287	287
Cash payments to employees and suppliers		(147,474)	(95,114)
Income tax paid		(25,874)	(20,961)
Cash flows from operating profits before changes in operating assets		57,224	56,737
Changes in operating assets and liabilities:			
- net increase in regulatory deposits	11	(115,465)	(36,545)
- net increase in loans and advances to customers	13	(81,149)	(205,648)
- net decrease / (increase) in other assets	19	(20,028)	2,625
- net increase in due to customers	17	129,041	279,851
- net increase in due to other banks		(9,403)	6,274
- net increase in other liabilities	19	16,041	16,127
Net cash flows from operating activities		23,739	119,423
Cash flows from investing activities			
Payments for purchase of property, equipment and software		(17,370)	(5,821)
Proceeds from sale of property and equipment		-	61
Net movement in investment securities		(71,268)	(116,337)
Net cash flows from investing activities		(88,638)	(122,097)
Cash flows from financing activities			
Dividend paid		(45,499)	(46,148)
Issuance of new shares		1,080	-
Net cash flow from financing activities		(44,419)	(46,148)
Net decrease in cash and cash equivalents		(156,796)	(48,822)
Effect of changes in the foreign exchange rates on cash and cash equivalents		1,009	(1,622)
Cash and cash equivalents at beginning of the period		396,840	433,488
Cash and cash equivalents at end of the period	9	241,053	383,044

The notes on pages 9 to 33 are an integral part of these condensed interim consolidated financial statements

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2024

1. Material accounting policies

The Company and its subsidiaries (the “Group”) are incorporated in Papua New Guinea. The Group’s business activities include provision of banking services, personal and commercial loans, money market operations, provision of share brokerage, fund administration, investment management services, asset financing, and corporate advice.

The Company is listed on Papua New Guinea’s National Stock Exchange (**PNGX**) and the Australian Securities Exchange (**ASX**). The address of its operational office is Level 9, Kina Haus, Douglas Street, Port Moresby, National Capital District, 121, Papua New Guinea.

a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34: *Interim Financial Reporting* as well as the requirements of the *Companies Act 1997 (amended 2022)*. The half year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial statements.

These condensed interim consolidated financial statements have been reviewed, not audited. They were approved for issue by the Board of Directors on 29 August 2024.

b) Basis of presentation

The condensed interim financial statements are denominated in Papua New Guinea Kina, which is the Group’s functional and reporting currency. All financial information presented in Papua New Guinea Kina has been rounded to the nearest thousand Kina, unless otherwise stated.

These condensed interim consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The accounting policies and methods of computations adopted in preparation of the half-year financial report are consistent with those adopted and disclosed in the Group’s 2023 financial report for the financial year ended 31 December 2023. Where the presentation of financial information has changed, comparative information has been changed to ensure consistency.

New and amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

Going Concern

The financial statements are prepared on a going concern basis. The group has net assets of PGK 637m, recorded a decrease in operating activities and total cash flows and has a liquidity risk management policy, as disclosed in Note 3c of the financial statements for year ended 31 December 2023. As a consequence of this, the Directors are of the view that the Group is well placed to manage its business risks successfully despite the current economic climate. Accordingly, they believe the going concern basis is appropriate.

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

2. Critical accounting estimates and judgments

The preparation of interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim consolidated financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023 except as disclosed otherwise. Key estimates used in preparation of consolidated financial statements for the half year ended 30 June 2024 and this interim financial information are as follows:

- Significant increase in credit risk;
- Recognition of deferred tax asset for carried forward tax losses;
- Estimated allowance for loans and advances to customers;
- Estimated goodwill impairment; and
- Estimated useful life of intangible assets

3. Net interest income

	Consolidated	
	30 June 2024	30 June 2023
	Unaudited	Unaudited
	K'000	K'000
Interest income		
Cash and short-term funds	20,788	23,920
Investment in government inscribed stocks	6,576	7,209
Loans and advances to customers	106,866	92,315
	134,230	123,444
Interest expense		
Banks and customers	(22,655)	(25,362)
Net interest income	111,575	98,082

For personal use only

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

4. Net fee and commission income

	Consolidated	
	30 June 2024 Unaudited K'000	30 June 2023 Unaudited K'000
Investment and portfolio management	5,538	5,253
Fund administration	11,834	11,396
Shares brokerage	1,195	603
Loan fees and bank commissions	11,307	11,174
Digital banking fees	38,114	28,196
ATM and other transaction fees	6,645	7,982
	74,633	64,604
Fee and commission expenses	(63)	(13)
Net fee and commission income	74,570	64,591

5. Other income

	Consolidated	
	30 June 2024 Unaudited K'000	30 June 2023 Unaudited K'000
Other income	2,495	3,321
Other Income	2,495	3,321

Other income includes K1.7 million representing realised foreign exchange gain on dividend paid to shareholders registered on ASX.

For personal use only

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

6. Expected credit losses on financial instruments at amortised cost

6.1 Movement in expected credit loss (“ECL”) by class of financial instrument

Table below summarises the movement in expected credit loss (ECL) during the period by class of financial assets on which ECL has been recognised:

	Balance at 01 January 2024	ECL recognised during the period	Write-offs	Recoveries	Balance at 30 June 2024	Balance at 01 January 2023	ECL recognised during the period	Write- offs	Recoveries	Balance at 31 December 2023
Loss allowance by classes	K'000	K'000	K'000	K'000	K'000	K'000	K'000	K'000	K'000	K'000
Loans and advances to customers at amortised cost	52,466	8,143	(1,178)	102	59,533	42,497	9,758	(288)	499	52,466
Investments in government inscribed stocks at amortised cost	2,302	(390)	-	-	1,912	2,231	71	-	-	2,302
Other financial assets	3,990	-	-	-	3,990	3,990	-	-	-	3,990
Total	58,758	7,753	(1,178)	102	65,435	48,718	9,829	(288)	499	58,758

6.2 Movement in expected credit loss by stage

The Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL. On the basis of whether there is a significant increase in credit risk, the Group classifies the exposures into following stages:

- Stage 1** For the exposures where there have been no significant increase in credit risk since initial recognition, the ECL is recognised on 12-months basis.
- Stage 2** For the exposures where the exposure is overdue by 30 days or more, the ECL is recognised on life-time basis.
- Stage 3** These exposures are considered to be non-performing and in default for which the ECL is recognised on life-time basis. Indicators of default include breach of contract, significant financial difficulty, litigation, or if the exposure is overdue by 90 days or more.

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024**

6.2 Movement in expected credit loss by stage (continued)

The table below analyses the movement of the loss allowance during the period per class of assets except for those where there have been no significant movement in the ECL since the prior year or where no ECL is recognised:

	30 June 2024					31 December 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
	12-month ECL	Lifetime ECL	Lifetime ECL			12-month ECL	Lifetime ECL	Lifetime ECL		
Loss allowance – Loans and advances to customers at amortised cost	K'000	K'000	K'000	K'000	K'000	K'000	K'000	K'000	K'000	K'000
Loss allowance, beginning	18,882	5,481	28,103	-	52,466	17,460	5,458	19,579	-	42,497
Changes in the loss allowance										
- Transfer to stage 1	5,557	(389)	(5,168)	-	-	1,066	(543)	(523)	-	-
- Transfer to stage 2	(1,176)	1,760	(584)	-	-	(1,457)	2,766	(1,309)	-	-
- Transfer to stage 3	(358)	(1,643)	2,001	-	-	(4,552)	(1,266)	5,818	-	-
- Write-offs	-	-	(1,179)	-	(1,179)	-	-	(288)	-	(288)
New financial assets originated or purchased	8,667	2,628	12,812	-	24,107	13,810	4,363	10,883	-	29,056
Financial assets that have been derecognised	(13,107)	(240)	(2,514)	-	(15,861)	(7,445)	(5,297)	(6,057)	-	(18,799)
Loss allowance, ending	18,465	7,597	33,471	-	59,533	18,882	5,481	28,103	-	52,466

For personal use only

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024**

6.3 Movement in gross carrying amounts of financial assets at amortised cost

	30 June 2024					31 December 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
	12-month ECL	Lifetime ECL	Lifetime ECL			12-month ECL	Lifetime ECL	Lifetime ECL		
	K'000	K'000	K'000	K'000	K'000	K'000	K'000	K'000	K'000	K'000
Loans and advances to customers at amortised cost										
Gross carrying amount, beginning	2,401,427	46,756	157,597	8,764	2,614,544	1,899,383	110,370	178,079	13,586	2,201,418
Changes in the gross carrying amount										
- Transfer to stage 1	-	-	-	-	-	55,034	(38,942)	(16,092)	-	-
- Transfer to stage 2	(114,305)	121,095	(6,790)	-	-	(17,860)	20,186	(2,326)	-	-
- Transfer to stage 3	(41,414)	(17,700)	59,114	-	-	(21,478)	(14,970)	36,448	-	-
- Write-offs	-	-	(1,179)	-	(1,179)	-	-	(499)	-	(499)
New financial assets originated or purchased	339,504	22,882	15,875	-	378,261	869,174	13,201	22,471	-	904,846
Financial assets that have been derecognised	(250,625)	(15,703)	(20,427)	(320)	(287,075)	(382,826)	(43,089)	(60,484)	(4,822)	(491,221)
Gross carrying amount, ending	2,334,587	157,330	204,190	8,444	2,704,551	2,401,427	46,756	157,597	8,764	2,614,544

For personal use only

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024**

6.3 Movement in gross carrying amounts of financial assets at amortised cost (continued)

An analysis of the Group’s **credit risk exposure per class of financial asset and “stage”** without taking into account the effects of any collateral or other credit enhancements is provided in the following table. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

	30 June 2024					31 December 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
	12-month ECL	Lifetime ECL	Lifetime ECL			12-month ECL	Lifetime ECL	Lifetime ECL		
	K'000	K'000	K'000	K'000	K'000	K'000	K'000	K'000	K'000	K'000
Cash and cash equivalents	241,053	-	-	-	241,053	396,840	-	-	-	396,840
Treasury and central bank bills	1,328,918	-	-	-	1,328,918	1,236,496	-	-	-	1,236,496
Regulatory deposits	548,739	-	-	-	548,739	433,274	-	-	-	433,274
Loans and advances	2,334,587	157,330	204,190	8,444	2,704,551	2,401,427	46,756	157,597	8,764	2,614,544
Investment in government inscribed stocks	132,728	-	-	-	132,728	159,856	-	-	-	159,856
Other financial assets	144,720	-	-	-	144,720	123,984	-	-	-	123,984
Total gross carrying amount	4,730,745	157,330	204,190	8,444	5,100,709	4,751,877	46,756	157,597	8,764	4,964,994
Loss allowance	(18,465)	(7,596)	(33,472)	-	(59,533)		(5,480)	(28,104)	-	(58,758)
Net carrying amount	4,712,280	149,734	170,178	8,444	5,041,176	4,726,703	41,276	129,493	8,764	4,906,236

For personal use only

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

6.4 Days past due status of loans and advances

The table below provides an analysis of the gross carrying amount of loans and advances to customers in **arrears days**.

	30 June 2024		31 December 2023	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
	K'000	K'000	K'000	K'000
Loans and advances to customers				
1-29 days	2,450,299	22,122	2,401,297	25,190
30-59 days	32,614	2,821	33,137	2,835
60-89 days	12,619	1,389	15,539	1,108
90-179 days	48,787	7,619	22,348	3,526
More than 179 days	160,232	25,582	142,223	19,807
Total	2,704,551	59,533	2,614,544	52,466

7. Other operating expense

	Consolidated	
	30 June 2024	30 June 2023
	Unaudited	Unaudited
	K'000	K'000
Staff costs	52,065	42,232
Administrative expenses	45,905	32,826
Depreciation and amortisation (note 15 & 16)	15,630	14,634
Operating lease	2,935	1,497
Software maintenance and support charges	4,313	5,504
Auditor's remuneration	1,117	1,097
Other	25,480	7,583
	147,445	105,373

Other Expenses include GST Expenses amounting to K4.0 million (2023: K6.86 million).

Other expenses also include non-lending losses amounting to K13.5 million on account of a fraud incident involving a small number of customers. Through root cause analysis, the Group identified certain system vulnerabilities which were addressed upon identification of the incident. Based on detailed reconciliations, the Group recorded a provision of K13.1 million. The Group is currently evaluating all its options and prospects for recovery of these losses, however, no recoveries have been accounted for in these financial statements.

As at 30 June 2024, the Group had 743 (30 June 2023: 682) employees.

For personal use only

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

8. Income tax

Income tax is recognised based on Management's estimate of the effective annual income tax rate expected for the full financial year adjusted for the estimated non-deductible and taxable items during the period.

	Consolidated	
	30 June 2024 Unaudited K'000	30 June 2023 Unaudited K'000
Profit before tax	72,310	77,720
Prima facie tax*	30,656	33,046
Tax effect of:		
Permanent differences	(587)	(678)
Prior year adjustment	-	(1,016)
Income tax expense	30,069	31,352
Represented by:		
Current tax	38,666	32,613
Deferred taxes	(8,597)	(1,261)
Income tax expense	30,069	31,352

*Income tax rate for the bank (Kina Securities Ltd) increased from 30% in 2022 to 45% in 2023 while for the subsidiaries the tax rate remains at 30%.

9. Cash and cash equivalents

	Consolidated	
	30 June 2024 Unaudited K'000	31 December 2023 Audited K'000
Cash on hand	151,033	173,876
Exchange settlement account	45,154	168,972
Due from other banks	44,866	53,992
	241,053	396,840

For personal use only

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

10. Central bank bills

	Consolidated	
	30 June 2024	31 December 2023
	Unaudited	Audited
	K'000	K'000
Central bank and treasury bills		
Less than 90 days	200,660	419,200
Over 90 days	1,151,020	838,380
Unearned discount	(22,762)	(21,084)
	1,328,918	1,236,496

Central bank bills are debt securities issued by the Bank of Papua New Guinea (BPNG) and are measured at amortized cost.

11. Regulatory deposits

	Consolidated	
	30 June 2024	31 December 2023
	Unaudited	Audited
	K'000	K'000
Regulatory deposits	548,739	433,274

Bank of Papua New Guinea requires a minimum cash reserve requirement of 12% against the average deposit liabilities.

For personal use only

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

12. Financial assets at fair value through profit or loss

Fair value of listed investments are measured based on the quoted market prices and unlisted investments are measured using future maintainable earnings method.

	Consolidated	
	30 June	31 December
	2024	2023
	Unaudited	Audited
	K'000	K'000
Equity Securities		
- Listed	6,574	4,878
- Unlisted	31,019	30,938
	37,593	35,816

The movement in financial assets at fair value through profit or loss is reconciled as follows:

	Consolidated	
	30 June	31 December
	2024	2023
	Unaudited	Audited
	K'000	K'000
Balance at beginning of the year	35,816	15,262
Gains from changes in fair value	1,695	2,733
Financial assets acquired during the year	82	17,821
Balance at end of the year	37,593	35,816

13. Loans and advances to customers

	Consolidated	
	30 June	31 December
	2024	2023
	Unaudited	Audited
	K'000	K'000
Loan to individuals	715,843	693,446
Loan to corporate entities	1,988,708	1,921,098
Gross loans and advances to customers	2,704,551	2,614,544
Expected credit losses (note 6.2)	(59,533)	(52,466)
	2,645,018	2,562,078

For personal use only

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

13. Loans and advances to customers (continued)

Details of gross loans and advances to customers are as follows:

	Consolidated	
	30 June	31 December
	2024	2023
	Unaudited	Audited
	K'000	K'000
Overdrafts	86,172	97,628
Property mortgage	695,875	685,343
Asset financing	96,154	92,584
Business and other loans	1,826,350	1,738,989
	2,704,551	2,614,544

14. Investments in government inscribed stocks

	Consolidated	
	30 June	31 December
	2024	2023
	Unaudited	Audited
	K'000	K'000
GIS principal	135,000	160,000
Unamortised premium	150	258
Unamortised discount	(2,810)	(3,140)
Accrued interest	2,300	2,738
	134,640	159,856
Expected credit losses	(1,912)	(2,302)
	132,728	157,554

The movement in investments in government inscribed stocks is as follows:

	Consolidated	
	30 June	31 December
	2024	2023
	Unaudited	Audited
	K'000	K'000
Balance at beginning of year	157,554	152,650
Additions/ (Maturities)	(25,000)	5,000
Amortised premium / (discount)	222	103
Accrued interest	(438)	(128)
Write back / (addition) of expected credit losses	390	(71)
	132,728	157,554

Investments in government inscribed stocks are measured at amortised cost.

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

15. Property, plant and equipment

	Note	Consolidated	
		30 June	31 December
		2024	2023
		Unaudited	Audited
		K'000	K'000
Property and equipment owned	15.1	43,656	44,919
Right of use assets	15.1	25,854	27,035
		69,510	71,954

For personal use only

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

15.1 Property, plant and equipment

Consolidated	Furniture & Fittings	Building improvements	Motor Vehicles	Office Equipment	Land & Building	Work in Progress	Right-of-use assets	Total
	K'000	K'000	K'000	K'000	K'000	K'000	K'000	K'000
Cost								
Balance 31 December 2022	4,814	25,968	4,246	58,894	2,129	1,435	64,173	161,659
Additions	23	1,300	3,447	2,893	-	73	952	8,688
Disposals	-	-	(453)	-	-	-	(4,180)	(4,633)
Transfer in (out)	-	441	-	-	-	(441)	-	-
Balance 31 December 2023	4,837	27,709	7,240	61,787	2,129	1,067	60,945	165,714
Additions	17	87	1,875	2,148	-	186	3,812	8,125
Disposals	-	-	-	-	-	-	-	-
Transfer in (out)	-	-	-	-	-	-	(45)	(45)
Balance 30 June 2024	4,854	27,796	9,115	63,935	2,129	1,253	64,712	173,794
Accumulated depreciation								
Balance 31 December 2022	(3,750)	(10,665)	(3,379)	(31,877)	-	-	(29,149)	(78,820)
Charge during the year	(546)	(2,414)	(1,063)	(6,609)	-	-	(9,348)	(19,980)
Disposals	-	-	453	-	-	-	4,587	5,040
Balance 31 December 2023	(4,296)	(13,079)	(3,989)	(38,486)	-	-	(33,910)	(93,760)
Charge during the year	(249)	(1,156)	(800)	(3,371)	-	-	(4,998)	(10,574)
Disposals	-	-	-	-	-	-	50	50
Balance 30 June 2024	(4,545)	(14,235)	(4,789)	(41,857)	-	-	(38,858)	(104,284)
Book value 30 June 2024	309	13561	4,326	22,078	2,129	1,253	25,854	69,510
Book value 31 December 2023	541	14,630	3,251	23,301	2,129	1,067	27,035	71,954

For personal use only

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

16. Intangible assets

Consolidated	Software	Customer deposit relationship	Work in progress	Total
	K'000	K'000	K'000	K'000
Cost				
Balance 31 December 2022	62,927	22,468	5,474	90,869
Additions	1,013	-	4,069	5,082
Transfer in (out)	506	-	(506)	-
Disposals	-	-	-	-
All Balance 31 December 2023	64,446	22,468	9,037	95,951
Additions	315	-	8,930	9,245
Transfer in (out)	-	-	-	-
Disposals	-	-	-	-
Balance 30 June 2024	64,761	22,468	17,967	105,196
Accumulated amortisation				
Balance 31 December 2022	(35,908)	(22,468)	-	(58,376)
Charges during the period	(9,967)	-	-	(9,967)
Balance 31 December 2023	(45,875)	(22,468)	-	(68,343)
Charges during the period	(5,056)	-	-	(5,056)
Balance 30 June 2024	(50,931)	(22,468)	-	(73,399)
Book value 30 June 2024	13,830	-	17,967	31,797
Book value 31 December 2023	18,571	-	9,037	27,608

On 30 September 2015, the Group, through Kina Ventures Limited, a 100% owned subsidiary of Kina Securities Limited, acquired all of the shares in Maybank (PNG) Limited and Maybank Property (PNG). Maybank (PNG) and Maybank Property (PNG) are the PNG subsidiaries of Malaysia's largest bank. The goodwill arising on this acquisition was recorded at K92.8 million.

For the purpose of impairment test, goodwill is allocated to the Group's banking business as an independent cash generating unit (CGU). The banking CGU including goodwill was tested for impairment as at 31 December 2023 by comparing the CGU's carrying amount with its recoverable amount and no impairment loss was recognised. As at 30 June 2024, the Group did not identify any impairment indicators that require a formal impairment test at the interim date.

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

17. Due to customers

	Consolidated	
	30 June 2024	31 December 2023
	Unaudited	Audited
	K'000	K'000
Corporate customers	2,784,351	3,335,288
Retail customers	1,689,598	1,009,283
	4,473,949	4,344,571

18. Lease liabilities

Details of associated lease liabilities recognised in respect of the right of use assets are presented below:

	30 June 2024	31 December 2023
	K'000	K'000
Maturity analysis – contractual undiscounted cash flows		
Less than one year	11,662	10,829
One to five years	24,721	26,871
More than five years	154	1,066
Total undiscounted lease liabilities at 30 June 2023	36,537	38,766
Lease liabilities included in statement of financial position at 30 June 2023		
Current	11,791	10,992
Non-current	20,683	22,783
	32,474	33,775
Amounts recognised in statement of comprehensive income		
Interest on lease liabilities	1,292	2,805
Expense relating to short-term leases	5,631	8,474
	6,923	11,279
Amounts recognised in statement of cash flows		
Total cash outflow for leases	6,418	11,838

Total cash flows for leases is recorded under Cash payments to employees and suppliers in the statement of cash flows

For personal use only

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

19. Other Assets and Other Liabilities

	Consolidated	
	30 June 2024	31 December 2023
	Unaudited	Audited
	K'000	K'000
Prepayments	6,503	9,895
Security deposits and bonds	33,275	31,303
Card settlement clearing	66,293	50,496
Accrued interest	8,046	-
Other debtors	37,104	42,125
Total Other Assets	151,221	133,819
Less: expected credit loss	(3,990)	(3,990)
Total Other Assets	147,231	129,829

Movement of expected credit loss on other assets is as follows

	Consolidated	
	30 June 2024	31 December 2023
	Unaudited	Audited
	K'000	K'000
Balance at beginning of year	3,990	3,990
Write-off during the year	-	-
Balance at end of the year	3,990	3,990

	Consolidated	
	30 June 2024	31 December 2023
	Unaudited	Audited
	K'000	K'000
Accruals	9,351	26,295
Unclaimed money and stale cheques	17,817	17,322
Bank cheques	2,910	10,473
Accounts payable	4,745	4,736
Unearned commission income	245	310
Advance payments	34,601	35,305
Accrued interest	17,601	-
Other liabilities	48,902	24,390
Total Other Liabilities	136,172	118,831

Reclassification of other assets in balance sheet.

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

20. Issued and paid ordinary shares

a. Share capital

The Company does not have authorised capital and all ordinary shares have no par value.

	Number of shares ‘000	Share capital K’000
Ordinary shares		
Balance at 31 December 2023	394,693	394,693
Share issued during the period	1,080	-
Balance at 30 June 2024	395,773	394,693

b. Earnings per share (EPS)

Basic earnings per ordinary share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period. The group has dilutive potential ordinary shares in the form of performance rights issued to senior management. However, it does not have any material impact on the EPS calculation.

	Consolidated 30 June 2024 Unaudited	30 June 2023 Unaudited
Net profit attributable to shareholders	42,241	46,368
Weighted average number of ordinary shares basic earnings	287,290	286,936
Weighted average number of ordinary shares diluted earnings	291,351	288,970
Basic earnings per share (in toea)	14.7	16.2
Diluted earnings per share (in toea)	14.5	16.0

c. Share-based payment reserve

In July 2015, after the Company was listed on the Australian Securities Exchange and Port Moresby Stock Exchange, Kina established various incentive arrangements to assist in the attraction, motivation and retention of management and its employees. Share options were granted to the Managing Director & Chief Executive Officer (“CEO”) and other senior executive employees. These included a short term incentive plan (“STI Plan”), long term incentive plan (“LTI Plan”) and retention plan (“RI Plan”), established under the *Kina Performance Rights Equity Incentive Plan*. The share based payment expense recognised for the period ended 30 June 2024 is K 1,009,969 (2023: K 2,009,966).

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

21. Related party transaction

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions or where there are common directors and shareholders. Kina Securities Limited (incorporated in Papua New Guinea), is the parent entity of the Group, which owns 100% of the ordinary shares of its subsidiaries, unless otherwise stated.

A number of banking transactions are entered in with related parties in the normal course of business. These include loans, deposits and foreign currency transactions and provision of certain services to the Group by companies where there is common directorship. These transactions are carried out on normal commercial terms and at normal market rates.

From time to time during the year, Directors and Senior Management of the Parent and subsidiaries have deposits in Kina Securities Limited accounts on normal terms and conditions.

Total remunerations (including benefits) paid to key management personnel during the period:

	Consolidated	
	30 June	30 June
	2024	2023
	Unaudited	Unaudited
	K'000	K'000
Salary	5,160	4,529
Benefits	5,107	4,849
	10,267	9,378

The benefits included vested rights related to equity options with a total of K 4,190,993 (30 June 2023: K 1,529,379)

22. Investment under trust

The Group acts as trustee holding or placing of assets on behalf of superannuation funds and individuals. These assets are not assets of the Group and, therefore, are not included in its Consolidated Statement of Financial Position (**balance sheet**). The Group is also engaged in investing client monies. A corresponding liability in respect of these monies are also excluded from the balance sheet. Investments under trust at balance sheet are:

	Consolidated	
	30 June	31 December
	2024	2023
	Unaudited	Audited
	K'000	K'000
Clients funds held for shares trading	5,957	6,941
	5,957	6,941

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

23. Segment reporting

The segment information provided to the Managing Director and Chief Executive Officer for the reportable segments for the period ended 30 June 2024 is as follows:

	Banking & Finance	Wealth Management	Total
	K'000	K'000	K'000
Interest income	133,711	519	134,230
Interest expense	(22,637)	(18)	(22,655)
Foreign exchange income	36,400	637	37,037
Fee and commission income	56,632	17,938	74,570
Other revenue	3,199	1,127	4,326
Total external income	207,305	20,203	227,508
Other operating expenses	(125,894)	(5,921)	(131,815)
Provision for impairment	(7,700)	(53)	(7,753)
Depreciation and amortisation	(15,630)	-	(15,630)
Total external expenses	(149,224)	(5,974)	(155,198)
Profit before inter-segment revenue and expenses	58,081	14,229	72,310
Inter-segment income	1,672	-	1,672
Inter-segment expenses	-	(1,672)	(1,672)
Profit before tax	59,753	12,557	72,310
Income tax expense	(26,831)	(3,238)	(30,069)
Profit after tax	32,922	9,319	42,241
Total assets	5,304,706	15,635	5,320,341
Total liabilities	(4,676,696)	(6,957)	(4,683,653)

Banking and finance segments includes the operations of the Kina Bank while Wealth Management includes fund management and fund administration business. The section for Corporate is nil as the entities have been amalgamated into Banking.

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

23. Segment reporting (continued)

The segment information provided to the Managing Director and Chief Executive Officer for the reportable segments for the period ended 30 June 2023 is as follows:

	Banking & Finance	Wealth Management	Total
	K'000	K'000	K'000
Interest income	122,914	530	123,444
Interest expense	(25,362)	-	(25,362)
Foreign exchange income	21,542	10	21,552
Fee and commission income	47,427	17,164	64,591
Other revenue	2,767	393	3,160
Total external income	169,288	18,097	187,385
Other operating expenses	(86,255)	(4,085)	(90,340)
Provision for impairment	(4,455)	163	(4,292)
Depreciation and amortisation	(15,033)	-	(15,033)
Total external expenses	(105,743)	(3,922)	(109,665)
Profit before inter-segment revenue and expenses	63,545	14,175	77,720
Inter-segment income	1,325	-	1,325
Inter-segment expenses	-	(1,325)	(1,325)
Profit before tax	64,870	12,850	77,720
Income tax expense	(27,612)	(3,740)	(31,352)
Profit after tax	37,258	9,110	46,368
Total assets	4,951,353	36,042	4,987,395
Total liabilities	(4,368,006)	(7,358)	(4,375,364)

The section for Corporate segment has been amalgamated into Banking & Finance.

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

24. Contingent liabilities

Litigations and claims

Contingent liabilities exist in respect of actual and potential claims and proceedings that have not been determined. An assessment of the Group’s likely loss has been made on a case-by-case basis for the purposes of the financial statements and specific provisions are made where appropriate. As at 30 June 2024, the Group is a party to some litigation before the courts, however, management does not believe this will result in any material loss to the Group. There was no litigation matter of a material nature provided for in the consolidated financial statements.

Other contingent liabilities

The Bank guarantees the performance of customers by issuing guarantees to third parties. The risk involved is essentially the same as the credit risk involved in extending loan facilities to customers, therefore these transactions are subject to the same credit origination, portfolio maintenance and collateral requirements applied to customers applying for loans. As the facilities may expire without being drawn upon, the notional amount does not necessarily reflect future cash requirements. The credit risk of these facilities may be less than the notional amount but as it cannot be accurately determined, the credit risk has been taken as the contract notional amount.

	Consolidated	
	30 June 2024	31 December 2023
	Unaudited	Audited
	K'000	K'000
Bank Guarantee	58,784	26,833

25. Capital commitments

There was a total of K 4.1 million relating to commitments under contracts for capital expenditure at reporting date (31 December 2023: K 1.9 million).

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

26. Fair value estimation

There is no material difference between the fair value and carrying value of the Group’s financial assets and liabilities.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (**Level 2**).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (**Level 3**)

The following table presents the Group’s assets and liabilities that are measured at fair value at;

30 June 2024

Assets	Level 1 K’000	Level 2 K’000	Level 3 K’000	Total K’000
Financial assets at fair value through profit or loss				
- Investment in shares – Listed	6,574	-	-	6,574
- Investment in shares – Unlisted	-	-	31,019	31,019
Total assets	6,574	-	31,019	37,593

31 December 2023

	Level 1 K’000	Level 2 K’000	Level 3 K’000	Total K’000
Financial assets at fair value through profit or loss				
- Investment in shares – Listed	4,878	-	-	4,878
- Investment in shares – Unlisted	-	-	30,938	30,938
Total assets	4,878	-	30,938	35,816

Unlisted investments are classified as Level 3. There is no material movement in value of unlisted investments since the last reporting period.

27. Financial risk factors

The Group’s activities expose it to variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The condensed interim financial statements do not include all the financial risk management information and disclosure required in the annual financial statements. They should read in conjunction with the Group’s half year financial statements at 30 June 2024. There have not been any material changes in the risk management department or in any risk management policies since the year-end.

For personal use only

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

28. Liquidity risk

Compared to year-end, there was no material change in the contractual undiscounted cash flows for financial liabilities.

	Consolidated						
	Up to 1 month K'000	1 to 3 months K'000	4 to 12 months K'000	1 to 5 years K'000	Over 5 years K'000	Total contract value K'000	Total carrying value K'000
30 June 2024							
Cash and cash equivalents	241,053	-	-	-	-	241,053	241,053
Central bank bills	5,000	195,660	1,151,020	-	-	1,351,680	1,328,918
Regulatory deposits	548,739	-	-	-	-	548,739	548,739
Total financial assets	794,792	195,660	1,151,020	-	-	2,141,472	2,118,710
Due to other banks	4,509	-	-	-	-	4,509	4,509
Due to customers	3,368,840	375,652	722,379	37,603	-	4,504,474	4,473,949
Other liabilities	136,172	-	-	-	-	136,172	136,172
Total financial liabilities	3,509,521	375,652	722,379	37,603	-	4,645,155	4,614,630
Issued financial guarantee contracts	-	5,729	6,050	-	-	11,779	N/A
Issued loan commitments	86,165	-	-	-	-	86,165	N/A
Total	86,165	5,729	6,050	-	-	97,944	N/A

	Consolidated						
	Up to 1 month K'000	1 to 3 months K'000	4 to 12 months K'000	1 to 5 years K'000	Over 5 years K'000	Total contract value K'000	Total carrying value K'000
31 December 2023							
Cash and cash equivalents	396,840	-	-	-	-	396,840	396,840
Central bank bills	28,000	391,200	838,380	-	-	1,257,580	1,236,496
Regulatory deposits	433,274	-	-	-	-	433,274	433,274
Total financial assets	858,114	391,200	838,380	-	-	2,087,694	2,066,610
Due to other banks	13,912	-	-	-	-	13,912	13,912
Due to customers	3,241,808	306,318	773,524	40,166	306	4,362,122	4,344,571
Other liabilities	118,831	-	-	-	-	118,831	118,831
Total financial liabilities	3,374,551	306,318	773,524	40,166	306	4,494,865	4,477,314
Issued financial guarantee contracts	9,650	951	16,232	-	-	26,833	N/A
Issued loan commitments	39,152	-	-	-	-	39,152	N/A
Total	48,802	951	16,232	-	-	65,985	N/A

For personal use only

KINA SECURITIES LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

29. Events after the balance sheet date

Declaration of dividend

Subsequent to the financial reporting date, the directors declared a dividend of AUD 4.00 cents / PGK 10.60 toea per share (PGK 30.57 million) payable to stockholders on 3 October 2024.

For personal use only