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ASX/PNGX – Announcement

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BY ELECTRONIC LODGEMENT

2025 AGM Chairman's Address and Managing Director & CEO's Address

Please see attached for release to the market, the Chairman's Address and Managing Director & CEO's Address at the Kina Securities Limited's (ASX: KSL| PNGX: KSL) 2025 Annual General Meeting (**AGM**).

ENDS

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This Announcement was authorised for release by Kina Securities Limited's Board of Directors.

CHAIRMAN'S ADDRESS

It is an honour to address you today as Chairman of Kina Securities Limited. This being my first AGM in this role, I am privileged to represent the Board and our shareholders at such a significant time in Kina's journey.

The past year has been one of strong progress and transformation for Kina. This year, we proudly celebrate our 40th anniversary—a milestone that reflects our enduring commitment to Papua New Guinea and our growth into the country's second-largest bank. In 2024, we delivered robust financial and operational results, achieving an underlying Net Profit After Tax ("NPAT") of PGK 109.5 million and a statutory NPAT of PGK 100.3 million, following a one-off tax adjustment.

Our performance was driven by a 67% increase in foreign exchange revenues, a 27% increase in digital channel revenues, and continued targeted investments in our core capabilities and product portfolio. We also saw continued growth in our wealth management division, which is now the largest in PNG.

Lending increased by 13% to PGK 2.9 billion, with our market share rising from 15% to 17%. Deposit market share improved from 13% to 14%, and our Net Interest Margin rose to 5.8%. These achievements are a testament to the dedication of our management team, team members, and the strategic oversight provided by the Board.

Our strategy remains focused on sustainable, value-driven growth. We continue to invest in our workforce and technology capabilities and our products and services portfolio, expanding our customer base through accessible and inclusive financial services, and maintaining a prudent

approach to risk and capital management. We are also pleased to welcome Ivan Vidovich as our new CEO and Managing Director. Ivan has been a key driver in Kina's transformation journey and brings invaluable insight and leadership to this role.

Looking ahead, we anticipate continued earnings growth, supported by a favourable macroeconomic environment, including lower corporate tax rates for commercial banks and gradual adjustments in the PGK/USD exchange rate. We remain committed to executing our strategic priorities and delivering long-term value to our shareholders, while supporting national development through innovation, financial inclusion, and responsible banking.

The Board remains actively engaged in overseeing Kina's strategic direction and ensuring robust governance. We are encouraged by the constructive dialogue between the banking sector and the Government, particularly around regulatory and fiscal reforms.

I would also like to acknowledge the contributions of former Chairman Isikeli Taureka and former CEO Greg Pawson. Their leadership was instrumental in shaping Kina into the dynamic institution it is today.

Looking beyond 2025, Kina will continue to build on its established strategic foundations with a renewed long-term vision for 2026 to 2030. This vision will reaffirm our commitment to the key pillars that have driven our success and will guide our growth trajectory and operational priorities over the next five years.

As we celebrate 40 years of service and 50 years of Papua New Guinea's independence, we reaffirm our commitment to being a trusted partner in the nation's progress. On behalf of the Board, I extend our gratitude to our shareholders for your ongoing support and confidence. I also wish to thank our executive team, team members, and customers for their dedication and trust.

We look forward to another year of growth, innovation, and shared success.

Once again, thank you very much and I will now ask Ivan to give his reflections on Kina Group's performance.

MD & CEO'S ADDRESS

It is an honour to address you today in my capacity as Chief Executive Officer and Managing Director of Kina Bank.

This is a significant year for both Papua New Guinea and Kina Bank.

In 2025, Kina Bank celebrates its 40th anniversary - a milestone that coincides with Papua New Guinea's 50 years of independence.

In January of this year, I officially assumed the role of CEO and MD. I am privileged to build upon the strong legacy of those who came before me, particularly Greg Pawson, whose inspiring leadership shaped Kina into the strong competitor it is today, as PNG's challenger bank. I extend my thanks to Greg for his dedication, and I look forward to leading Kina into its next chapter of growth and transformation.

I would also like to acknowledge and thank our former Chairman, Mr. Isikeli Taureka, for his outstanding service and leadership. His guidance over many years has been instrumental in Kina Bank's rise as one of Papua New Guinea's leading financial services institutions.

The year 2024 was marked by solid progress across key areas, including underlying financial performance, market share growth, and continued portfolio diversification.

Let me begin with the financial highlights.

Kina achieved a 4% increase in underlying Net Profit After Tax, reaching PGK 109.5 million. This was supported by strong loan growth and continued expansion of non-interest income streams.

Statutory NPAT, after accounting for a one-off tax adjustment to reflect a reduction in the tax rate for smaller commercial banks from 45% in 2024 to 40% in 2025, stood at PGK 100.3 million, down 4% year-on-year and in line with the guidance provided at the half-year results.

Loan volumes grew by 13%, driving a 9% increase in net interest income, which now constitutes 46% of group revenues.

Non-interest income rose by an impressive 31%, making up 54% of total group revenues. Key drivers included a 67% increase in foreign exchange income, a 27% rise in digital channels revenue, and strong growth in funds administration and management fees.

Our balance sheet remains robust, with a capital adequacy ratio of 18.4%, well within Kina's target range. This provides capacity for growth while

supporting risk-weighted assets of PGK 2.9 billion and total assets of PGK 5.2 billion. The quality of our loan book also remains strong.

The final dividend of AUD 6.0 cents (15.5 toea) brought the full-year dividend to AUD 10.0 cents (26.1 toea), reflecting a payout ratio of 74%, consistent with Kina's dividend policy.

While 2024 was a year of progress, we also faced challenges. Our cost-to-income ratio ended the year at 59%, underscoring the need for continued focus on operational efficiency. This was partly driven by necessary investments in technology, talent, security, and risk controls. Additionally, an isolated customer fraud incident reported in June 2024 impacted statutory profit.

We have clear opportunities ahead. As we scale, we will continue to refine our operations, enhance our risk management practices, and advance our digitisation initiatives to deliver better outcomes for customers and achieve greater operational efficiency.

Simultaneously, we have commenced development of our next five-year strategic plan for the 2026–2030 cycle. This plan will focus on organic and inorganic growth opportunities. Importantly this plan will recognise Kina Bank's potential to continue grow organically within the expanding PNG market, increasing market share in a measured and risk-aligned manner.

To support the successful execution of our strategy, we are also strengthening our leadership capabilities.

Looking ahead to the remainder of 2025, the macro-outlook remains largely positive. However, businesses continue to experience a period of cautious optimism, awaiting the Papua LNG Final Investment Decision. Growth in the non-resource sector, supported by strong agricultural prices, aligns with Treasury's 2025 Budget projections of 5.2% growth. Meanwhile, the foreign exchange situation has improved with faster clearance of import orders, and the market is responding positively to the Monetary Policy Committee's clear guidance on exchange rate movements and liquidity planning.

At Kina Bank, we are confident in our ability to deliver further earnings growth this year. Our focus will be on unlocking value through organic revenue expansion, advancing digitisation, and strengthening our approach to business efficiency to drive improvements in our cost-to-income ratio over the medium to long term.

I want to close by recognising the dedication of our team members in PNG. Your resilience, growth mindset, and commitment to our customers are what make Kina the organisation it is today.

I also look forward to working closely with our new Chairman, Ian Clough, as we enter this pivotal phase of growth.

To my executive team and the Board, thank you for your leadership and support.

And to you, our shareholders, thank you for your continued trust in Kina Securities Limited.

I am confident that the year ahead will bring further progress, and I look forward to sharing our successes with you.

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