

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

Kina completes despatch of PNG Prospectus

25 September 2020

PORT MORESBY

Kina Securities Limited (**ASX: KSL | PNGX: KSL**) confirms that the **PNG Prospectus** and personalised entitlement and acceptance form in connection with an offer of ordinary shares to existing Papua New Guinea (**PNG**) shareholders, of 1 newly fully paid ordinary share for every for 2 shares held, at an offer price of PGK 1.97 per share (**PNG Offer**), as announced to ASX and PNGX on Thursday, 10 September 2020, was despatched to Eligible PNG Shareholders today.

A copy of the PNG Prospectus and sample Entitlement and Acceptance Form is attached.

A copy of the PNG Prospectus (and the personalised entitlement and acceptance form) is also accessible to Eligible PNG Shareholders at <https://www.kinabank.com.pg> (where Eligible PNG Shareholders will need to provide their SRN or HIN to obtain a copy of the relevant documents).

PNG Offer

The PNG Offer opens today, Friday, 25 September 2020, and is expected to close at 5.00pm (Port Moresby time) on Friday, 6 November 2020.

Application monies must be received prior to this time, in accordance with the PNG Prospectus and the personalised entitlement and acceptance form.

Shareholder Enquiries

Eligible PNG Shareholders are encouraged to carefully read the PNG Prospectus for further details relating to the PNG Offer.

Shareholders with questions in relation to the PNG Offer may contact the Kina Shareholder Information Line on +61 1800 550 560 (Australia) or +675 321 6377 (PNG) between 8.30am and 5.30pm (Port Moresby time) Monday to Friday during the PNG Offer period.

For further information, please contact:

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This ASX announcement was authorised for release by Kina's Board of Directors.

IMPORTANT NOTICES

This announcement is not financial product or investment advice, a recommendation to acquire securities or accounting, legal or tax advice. It does not constitute an invitation or offer to apply for securities. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and seek legal and taxation advice appropriate for their jurisdiction. Kina is not licensed in Australia to provide financial product advice in respect of an investment in securities.

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This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any security or financial product and neither this announcement nor anything attached to this announcement shall form the basis of any contract or commitment. In particular, this announcement does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer would be illegal. Any securities described in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**), or the securities laws of any state or jurisdiction of the United States. Accordingly, the securities may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States unless they have been registered under the U.S. Securities Act (which Kina has no obligation to do or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

KINA SECURITIES LIMITED**PROSPECTUS**

***for an offer of ordinary shares to existing Papua New
Guinea shareholders***

**OFFER OF 1 NEW FULLY PAID ORDINARY SHARE FOR EVERY 2 SHARES HELD,
AT AN OFFER PRICE OF K 1.97 PER NEW SHARE**

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR
THE ACCOUNT OR BENEFIT OF, U.S. PERSONS**

**THE OFFER CLOSSES AT
5.00PM (PORT MORESBY TIME) ON FRIDAY, 6 NOVEMBER 2020**

IMPORTANT NOTICE

This is an important document which is accompanied by a personalised entitlement and acceptance form and requires your immediate attention. If you are in any doubt as to how to deal with this document, please consult your financial, legal, tax or other professional adviser immediately.

PROSPECTUS

*for an offer of ordinary shares to existing retail shareholders
in Papua New Guinea*

IMPORTANT NOTICES

About this Prospectus

This Prospectus relates to the offer of New Shares by Kina Securities Limited (PNGX: KSL) (ASX: KSL) (**Company**) to Eligible Shareholders in Papua New Guinea ("PNG"). This Prospectus has been prepared by the Company and is a prospectus for the purpose of section 128(1) of the Capital Market Act.

This Prospectus is dated Friday, 25 September 2020.

This Prospectus was approved by the Securities Commission on Friday, 18 September 2020 and lodged with the Registrar of Companies on Wednesday, 23 September 2020. The approval of the Prospectus by the Securities Commission will not be taken to indicate that the Securities Commission recommends the securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Prospectus. The Registrar of Companies, the Securities Commission and PNGX take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The Company will, within 3 business days after the date of this Prospectus, apply for admission of the New Shares to quotation on PNGX and ASX.

Definitions

Capitalised terms used in this Prospectus are defined in section 8 of this Prospectus.

This Prospectus does not provide investment advice

This Prospectus is important and requires your immediate attention. You should read this Prospectus carefully and in its entirety before deciding whether to invest in New Shares. In particular, you should consider the risk factors that could affect the performance of the Company or the value of an investment in the Company, including those described in the "Key Corporate and Transaction Risks" section of the Investor Presentation in Schedule 1 of this Prospectus. The information contained in this Prospectus is not investment or financial product advice and does not take into account the investment objectives, financial situation, tax position or particular needs of individual investors.

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you taking into account your own investment objectives and financial circumstances and having regard to the merits or risks involved. If you are in any doubt as to how to deal with this Prospectus, please consult your financial, legal, tax or other professional adviser immediately.

The potential tax implications of the Offer will vary between investors. A summary of potential tax implications for investors resident in PNG is set out in section 7 of this Prospectus.

Future performance and forward looking statements

Except as required by law, and then only to the extent required, neither the Company nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to this Prospectus.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.

The forward-looking statements contained in this Prospectus involve known and unknown risks, uncertainties, contingencies and other factors, many of which are beyond the control of Kina, subject to change without notice and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the PNG and global economic environment and capital market conditions and other risk factors set out in the "Key Corporate and Transaction Risks" section of the Investor Presentation in Schedule 1 of this Prospectus. Investors should consider the forward-looking statements contained in this Prospectus in light of those disclosures.

Neither Kina, nor any other person, gives any representation, warranty, assurance nor will guarantee that the occurrence of the events expressed or implied in any forward-looking statement actually occur. Kina disclaims any responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise. Readers are cautioned not to place undue reliance on forward looking statements and Kina disclaims any responsibility to update or revise any forward-looking statement to reflect any change in Kina's financial condition, status, expectations or affairs or any change in events, conditions or circumstances on which a statement is based, except as required by law.

No representations other than in this Prospectus

No person is authorised to provide any information to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representations not contained in this Prospectus may not be relied upon as having been authorised by the Company in connection with the Offer.

Determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal requirements and regulatory requirements, logistical and registry constraints and the discretion of the Company. To the maximum extent permitted by law, the Company, its respective related bodies corporate, directors, officers, partners, employees and agents expressly disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion.

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*for an offer of ordinary shares to existing retail shareholders
in Papua New Guinea*

Past performance

Shareholders should note that any past performance information given in this Prospectus is provided for illustrative purposes only and should not be relied upon as, and is not, an indication of Kina's future performance, including future share price performance.

Prospectus availability

A copy of this Prospectus, together with a personalised Entitlement and Acceptance Form, will be made available to Eligible Shareholders online at www.kinabank.com.pg on Friday, 25 September 2020. You can also request a copy of this Prospectus and your personalised Entitlement and Acceptance Form by calling the Kina Shareholder Information Line on +61 1800 550 560 (Australia) or +675 321 6377 (PNG) at any time from 8.30am to 5.30pm (Port Moresby time) Monday to Friday during the Offer Period.

Offering restrictions

The distribution of this Prospectus (including an electronic copy) outside PNG is restricted by law. If you are outside of PNG and come into possession of this Prospectus, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws. Neither this Prospectus nor the accompanying Entitlement and Acceptance Form may be released or distributed in the United States or to any person acting for the account or benefit of any person in the United States.

This Prospectus has been prepared to comply with the requirements of the securities laws in PNG. No action has been taken to register or qualify the Offer in any jurisdiction other than PNG. The Offer is being offered to Eligible Shareholders in PNG and is not extended to any person outside of PNG.

United States

None of the information in this Prospectus or the Entitlement and Acceptance Form accompanying it constitutes an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal. Neither this Prospectus (or any part of it) nor the Entitlement and Acceptance Form may be released or distributed in the United States.

Neither the Entitlements nor the New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or any other jurisdiction of the United States.

Accordingly, the Entitlements offered and sold in the Offer may not be taken up in the United States or by any person acting for the account or benefit of any person in the United States.

The New Shares offered and sold in the Offer may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States, except in a transaction exempt from the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction of the United States. The Entitlements offered and sold in this Offer may only be taken up, and the New Shares offered and sold in this Offer may only be offered and sold, outside the United States in "offshore transactions" (as defined in Rule 902(h) under the US

Securities Act) in reliance on Regulation S under the US Securities Act.

This Prospectus may not be distributed in the United States.

Currency

All PNG Kina amounts in this Prospectus have been converted from Australian dollar amounts at the Bank of Papua New Guinea Mid-Rate on Tuesday, 30 June 2020 1 PGK: 0.4055 A\$ unless otherwise stated.

Governing law

This Prospectus, the Offer and the contracts formed on acceptance of the Applications are governed by the law of Papua New Guinea. Each Applicant submits to the exclusive jurisdiction of the courts of Papua New Guinea.

Rounding

For convenience, all percentage figures in this Prospectus have been rounded to two (2) decimal places.

Trading New Shares

Kina will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Kina or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

Enquiries

If you would like more information or have any questions in relation to the Offer, you may contact the Share Registry by phone on +61 1800 550 560 (Australia) or +675 321 6377 (PNG) between 8.30am and 5.30pm (Port Moresby time) Monday to Friday during the Offer Period.

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CHAIRMAN'S LETTER

Friday, 25 September 2020

Dear Shareholder,

On behalf of the board of Kina Securities Limited (**Kina** or **Company**), it is my pleasure to invite you to participate in Kina's 1 for 2 offer of new shares in Kina ("**New Shares**") at an offer price of K1.97 ("**Offer Price**") per New Share to raise A\$10,500,763 (before costs), equivalent to K25,895,840¹ ("**Offer**").

The proceeds of the Offer (and the Offshore Offer (as described below)) will be used to strengthen Kina's balance sheet, enable Kina to further pursue growth opportunities in the SME sector and fund additional strategic projects which will enhance Kina's digital leadership in PNG.

Details of the Offer

The Offer is an offer of New Shares to existing eligible PNG retail shareholders (**Eligible Shareholders**) and does not extend to those shareholders who participated in the Institutional Entitlement Offer (as described below). Eligible Shareholders are entitled to subscribe for 1 New Share at the Offer Price for every 2 existing ordinary shares in Kina ("**Existing Shares**") held at 7.00pm (Port Moresby time) on Monday, 14 September 2020 ("**Record Date**") ("**Entitlement**"). The Offer Price of K1.97 per New Share is the PNG Kina equivalent of the offer price of A\$0.80 under the Offshore Offer. The Offer is not underwritten.

Concurrent with the Offer, Kina announced an offer of New Shares to eligible Shareholders outside of PNG ("**Entitlement Offer**") to raise A\$69,898,067 (K172,375,012) (before costs), comprising an accelerated institutional entitlement offer ("**Institutional Entitlement Offer**") and retail entitlement offer ("**Retail Entitlement Offer**"), and which is being made on substantially the same terms as the Offer. Kina also announced a placement of New Shares to new and existing institutional investors ("**Placement**") and together with Entitlement Offer, the "**Offshore Offer**") to raise A\$10,468,657 (K25,816,663). The Offshore Offer is fully underwritten and managed by Morgans Corporate Limited.

The Institutional Entitlement Offer and the Placement were successfully completed on Monday, 14 September 2020. The Retail Entitlement Offer opened at 9.00am (AEST) on Thursday, 17 September 2020 and closes at 5.00pm (AEST) on Thursday, 1 October 2020.

The Offer is non-renounceable and therefore your Entitlement will not be tradeable on the PNGX or any other exchange, and it is not otherwise transferable. This means that Eligible Shareholders (as defined in section 8 of this Prospectus) who do not take up their Entitlements will not receive any payment or value for those Entitlements and their proportionate interest in Kina will be diluted.

Under the Offer, Eligible Shareholders that take up their full Entitlement may also apply for additional New Shares in excess of their Entitlement, at the Offer Price ("**Oversubscription Facility**"). Additional New Shares will only be available under the Oversubscription Facility to the extent that there are Entitlements under the Offer that are not taken up by Eligible Shareholders or that would otherwise have been offered to Ineligible Shareholders if they were eligible to participate in the Offer. Applications under the Oversubscription Facility will be subject to scale back if Eligible Shareholders apply for more additional New Shares than available under the Oversubscription Facility. Directors of Kina are not entitled to participate in the Oversubscription Facility.

¹ Based on exchange rate as per page 3, based on Bank of Papua New Guinea Mid-Rate.

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How to apply

Accompanying this Prospectus is your personalised Entitlement and Acceptance Form which contains details of your Entitlement.

The Offer closes at 5.00pm (Port Moresby time) on Friday, 6 November 2020. To participate, you should ensure that you have completed your application by paying the relevant application monies ("**Application Monies**") by bank cheque before this time in the manner described in this Prospectus and in accordance with the instructions on your personalised Entitlement and Acceptance Form.

Risks

An investment in the Company is subject to specific and general risks. You should read and consider section 4 (Risk Factors) of this Prospectus, which contains a summary of some of the key risks associated with an investment in Kina.

Further information

Further information on the Offer and Kina's business are detailed in this Prospectus. You should carefully read this Prospectus in its entirety, the other documents listed in section 1.1 and consult your stockbroker, accountant or other professional adviser before making your investment decision.

If you have any questions in respect of the Offer, please call the Kina Shareholder Information Line on +61 1800 550 560 (Australia) or +675 321 6377 (PNG) at any time from 8.30am to 5.30pm (Port Moresby time) Monday to Friday during the Offer Period. This Prospectus contains detailed information about the Offer, including instructions on how to participate should you choose to do so.

On behalf of my fellow Kina directors, I look forward to welcoming your participation in the Offer and your continued ownership of Kina.

Yours sincerely,



Isikeli Taureka
Chairman
Kina Securities Limited

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1. KEY INFORMATION AND DATES

1.1 PROSPECTUS

This Prospectus is a prospectus under the Capital Market Act and in various places refers to information contained in:

- (a) the annual consolidated financial statements for year of the Group for the year ended 31 December 2019 ("**Annual Report**");
- (b) the consolidated financial statements of the Group for the half year period ended 30 June 2020 ("**Half-Year Report**"); and
- (c) the Equity Raising Investor Presentation in respect of the Offshore Offer released on PNGX and ASX on Thursday, 10 September 2020 ("**Investor Presentation**").

This Prospectus should be read in conjunction with the Half-Year Report, the Annual Report and the Investor Presentation, as well as the announcements released by Kina since the announcement released on 30 March 2020 on PNGX and ASX of the Annual Report (other than announcements relating to the Offshore Offer or this Offer, which are already incorporated in this Prospectus). In particular, Eligible Shareholders should read the following announcements released on PNGX and ASX which are set out in full in section 5 of this Prospectus:

- (a) "Equity Raising Investor Presentation" released on Thursday, 10 September 2020; and
- (b) "Successful completion of Placement and Institutional component of Entitlement Offer, raising A\$45 million" released on Monday, 14 September 2020.

The Half-Year Report was released to PNGX and ASX on 27 August 2020 and the Investor Presentation was released to PNGX and ASX on Thursday, 10 September 2020. These documents can be downloaded from the PNGX website (www.PNGX.com.pg), the ASX website (www.asx.com.au) or the Company's website (www.kinabank.com.pg). In addition, a copy of each document is available free of charge to any person on request and can also be inspected free of charge at the Company's registered office (see back page of this Prospectus) on week days during normal business hours.

1.2 KEY INFORMATION

Securities being offered New Share (at K1.97 each) for every 2 Existing Shares held by an Eligible Shareholder as at 7.00pm (Port Moresby time) on the Record Date of Monday, 14 September 2020.

An "**Eligible Shareholder**" is a person:

- (a) who is registered as a Shareholder as at the Record Date of 7.00pm (Port Moresby time) on Monday, 14 September 2020;
- (b) whose address in the Company's share register is in PNG;
- (c) is not in the United States and is not a person (including nominees or custodians) acting for the account or benefit of a person in the United States (to the extent such person holds Existing Shares

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for the account or benefit of such person in the United States);

- (d) was not invited to participate in the Offshore Offer;
- (e) did not participate in the Institutional Entitlement Offer; and
- (f) is eligible under all applicable securities laws to receive an offer under the Offer.

Any New Shares not taken up by 5.00pm (Port Moresby time) on Friday, 6 November 2020 may be made available to those Eligible Shareholders who took up their full Entitlement and applied for additional New Shares under the Oversubscription Facility at the Offer Price in excess of their Entitlement. ("**Oversubscription Facility**"). Additional New Shares will only be available under the Oversubscription Facility to the extent that there are Entitlements under the Offer that are not taken up by Eligible Shareholders or that would otherwise have been offered to Ineligible Shareholders if they were eligible to participate in the Offer. Applications under the Oversubscription Facility will be subject to scale back if Eligible Shareholders apply for more additional New Shares than available under the Oversubscription Facility. Any scale-back will be applied by Kina in its absolute discretion. Directors of Kina are not entitled to participate in the Oversubscription Facility. There is no guarantee that Eligible Shareholders will receive the number of additional New Shares applied for under the Oversubscription Facility. Additional New Shares will only be allocated to Eligible Shareholders under the Oversubscription Facility if available and then only if and to the extent that Kina so determines, in its absolute discretion.

Shareholders in the United States are not eligible to participate in the Offer. Similarly, Shareholders (including custodians and nominees) who hold Shares on behalf of persons in the United States, or are acting for the account or benefit of persons in the United States, are not eligible to participate in the Offer on behalf of those persons.

Offshore Offer

Concurrent with the Offer, the Company has announced the Entitlement Offer of Shares to eligible Shareholders outside of PNG to raise A\$69,898,067 (K172,375,012), comprising the Institutional Entitlement Offer and Retail Entitlement Offer, and which is being made on substantially the same terms as the Offer. The Company also announced a Placement to raise A\$10,468,657 (K25,816,663). The Offshore Offer is fully underwritten.

Impact of Offer and the Offshore Offer on Company's financial position

As set out in section 4 of this Prospectus.

Amount to be raised under the Offer

K25,895,840 (A\$10,500,763) will be raised if the maximum 13,125,954 New Shares are issued.

Proposed use of funds raised under the Offer

The proceeds raised in the Offer (and the Offshore Offer) will be used to strengthen Kina's balance sheet, enable Kina to further

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pursue growth opportunities in the SME sector and fund additional strategic projects which will enhance Kina's digital leadership in PNG.

Not underwritten

The Offer is not underwritten.

Non-renounceable Offer

Your Entitlement is non-renounceable, which means it is non-transferable and cannot be sold or traded on PNGX or any other exchange, nor can it be privately transferred. This means that Eligible Shareholders who do not take up their Entitlements will not receive any payment or value for those Entitlements and their percentage holding in Kina will be diluted as result of the Offer.

1.3 KEY DATES*

7.00pm (Port Moresby time) on Monday, 14 September 2020	Record Date for Offer
Friday, 18 September 2020	Prospectus was approved by Securities Commission
Wednesday, 23 September 2020	Prospectus was lodged with Registrar of Companies
Friday, 25 September 2020	Prospectus was provided to PNGX and ASX
	Offer opens
Friday, 6 November 2020	Offer closes at 5.00pm (Port Moresby time)
Wednesday, 11 November 2020	Settlement of all applications for New Shares
Thursday, 12 November 2020	Issue of New Shares
Friday, 13 November 2020	New Shares commence quotation on PNGX and ASX
	Despatch of holding statements for New Shares

* All dates after Monday, 14 September 2020 are indicative only and are subject to change. The Company reserves the right to change any or all of the dates including to extend the closing date for the Offer without prior notice subject to the Companies Act, Capital Market Act and the PNGX Listing Rules. Any extension of the closing date will have a consequential effect on the issue date of the New Shares. The Company also reserves the right to withdraw or cancel the Offer at any time prior to the issue of New Shares.

The approval of the Prospectus by the Securities Commission will not be taken to indicate that the Commission recommends the New Shares or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Prospectus. No securities will be allotted or issued on the basis of this Prospectus later than such period as the Securities Commission may specify from the date of issue of the Prospectus.

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ENQUIRIES

If you have any doubt about whether you should participate in the Offer, you should seek professional financial advice from your stockbroker, solicitor, accountant or other professional adviser before making any investment decision.

If you have questions on how to complete the Entitlement and Acceptance Form or how to take up your Entitlement or have lost your Entitlement and Acceptance Form and would like a replacement form, please visit www.kinabank.com.pg or call the Kina Shareholder Information Line on +61 1800 550 560 (outside Australia) or +675 321 6377 (PNG) between 8.30am and 5.30pm (Port Moresby time) Monday to Friday during the Offer Period.

2. FURTHER DETAILS OF THE OFFER**2.1 OFFER OF SECURITIES**

The Company is offering Eligible Shareholders the opportunity to subscribe for New Shares under the Offer as described in section 1.2.

If you have received this Prospectus and there is an accompanying personalised Entitlement and Acceptance Form showing your name and entitlement to New Shares, then you are considered an Eligible Shareholder.

2.2 NON-RENOUCEABLE

Each Eligible Shareholder's Entitlement is non-renounceable and will not be tradeable on PNGX, ASX or otherwise transferable. Eligible Shareholders who do not take up their Entitlements in full will not receive any value in respect of the Entitlements not taken up.

2.3 NO UNDERWRITING

The Offer is not underwritten. Therefore, to the extent that there is less than full take-up of Eligible Shareholders' Entitlements, the New Shares not subscribed for will not be issued.

2.4 DETERMINATION OF ENTITLEMENTS

The Offer is being made to Shareholders who are Eligible Shareholders.

Each Eligible Shareholder's Entitlement is shown on their personalised Entitlement and Acceptance Form. Entitlements were calculated on the basis of registered holdings of Shares on the Record Date. Where fractions arose in the calculation of Entitlements, they were rounded up to the nearest whole number of New Shares.

2.5 ISSUE, QUOTATION AND TRADING OF SECURITIES

New Shares will be issued to successful applicants in uncertificated form. Applicants who are existing Shareholders will have their New Shares added to their existing holding under their existing Shareholder Reference Number ("SRN") and updated Issuer Sponsored Statements will be mailed to their address as shown in the Company's share register. The Company will, within 3 business days after the date of this Prospectus, apply for quotation of the New Shares on PNGX and ASX. While the Company is not aware of any reason why quotation would be denied, there is no assurance that the application will be granted. If quotation is not granted, New Shares will not be issued and Application Monies will be refunded to applicants without interest.

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As noted above, Issuer Sponsored Statements for New Shares will be despatched following the issue of the New Shares. It is the responsibility of each applicant to confirm their holding before trading in New Shares. Any applicant who sells New Shares before receiving confirmation of their holding in the form of their holding statement will do so at their own risk. The Company disclaims all liability, whether in negligence or otherwise, to any person who trades in New Shares before receiving their holding statement.

2.6 PNGX WAIVER

The Company received a waiver from the PNGX from PNGX Listing Rule 7.1 to permit the Company, to the extent necessary, to undertake the Offshore Offer and the Offer without seeking prior Shareholder approval. Under the PNGX Listing Rules, the Offer and Entitlement Offer did not come within the definition of a 'pro rata issue' as neither the Entitlement Offer, nor the Offer, will be made to all holders of securities with a registered address in Papua New Guinea. The effect of the PNGX granting the waiver to the Company was to enable the Company to offer the Shares under the Offshore Offer and the Offer to Shareholders without breaching PNGX Listing Rule 7.1 by exceeding its existing 15% placement capacity.

2.7 UPDATE ON OFFSHORE OFFER

As at the date of this Prospectus, under the Institutional Entitlement Offer, the Company has already raised A\$34,573,459 (K85,261,305) (before costs) from eligible institutional Shareholders as part of the Institutional Entitlement Offer. New Shares were issued under the Institutional Entitlement Offer on Monday, 21 September 2020.

Concurrently with the Institutional Entitlement Offer, the Company undertook the Placement raising a total of A\$45,042,116 (K111,077,968). New Shares were issued under the Placement and Institutional Entitlement Offer on Monday, 21 September 2020.

For further details about the Offshore Offer, refer to the announcement by the Company released on Monday, 14 September 2020 on PNGX and ASX entitled "Successful completion of Placement and Institutional component of Entitlement Offer, raising A\$45 million".

Further information regarding the Offshore Offer has been, and will be, released by the Company and can be downloaded from the PNGX website (www.PNGX.com.pg), the ASX website (www.asx.com.au) or the Company's website (www.kinabank.com.pg).

2.8 PROPOSED USE OF PROCEEDS

The proceeds raised in the Offer (and the Offshore Offer) will be used to strengthen Kina's balance sheet, enable Kina to further pursue growth opportunities in the SME sector and fund additional strategic projects which will enhance Kina's digital leadership in PNG.

2.9 RIGHTS AND RESTRICTIONS ATTACHED TO NEW SHARES

The New Shares will be issued fully paid and will rank equally with Existing Shares.

The rights and restrictions attached to Shares are set out in the Constitution and the Companies Act and are subject to the PNGX Listing Rules, ASX Listing Rules and the general law.

The principal rights and restrictions attached to Shares as set out in the Constitution as at the date of this Prospectus are summarised below. The summary is not a definitive statement of those matters, which can involve complex questions arising from the interaction of the Constitution, legislation, general law and PNGX Listing Rule and ASX Listing Rule requirements. To obtain a definitive assessment, investors should seek their own advice.

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(a) Voting at general meetings

At a general meeting, every Shareholder present in person or by proxy, representative or attorney has:

- in voting by voice or on a show of hands:
 - (i) subject to paragraphs (ii) and (iii), each shareholder present has one vote;
 - (ii) where a shareholder has appointed more than one person as representative, proxy or attorney for the shareholder, none of the representatives, proxies or attorneys is entitled to vote;
 - (iii) where a person is entitled to vote because of paragraph (i) in more than one capacity, that person is entitled to only one vote.
- on a poll, each shareholder present:
 - (iv) has one vote for each fully paid share held; and
 - (v) for each other share held, has a vote in respect of the share which carries the same proportionate value as the proportion of the amount paid up on the total issue price of that share at the time the poll is taken bears to the total issue price of the share.

In general terms, a poll may be demanded by at least 5 shareholders entitled to vote at the meeting, or by a shareholder or shareholders representing at least 10% of the total voting rights of all shareholders at the meeting.

If votes are equal on a proposed resolution, the Chairman can exercise a casting vote on a show of hands or on a poll (except when only two directors are present or expect when only two directors are competent to vote on the question then at issue).

(b) Dividends

Subject to the Companies Act, the Board may, from time to time pay a dividend on Shares. Such dividends can be in the form of cash and/or other property, and are distributed among Shareholders equally, subject to their respective rights and interests.

(c) Issue of further shares

Subject to the PNGX Listing Rules, the Board may issue, grant options in respect of, or otherwise dispose of further Shares on terms and conditions and with such rights and privileges as the Board sees fit. Any such shares, options or other securities may be issued with such preferred, deferred or other special rights, obligations or restrictions, whether in regard to dividends, voting, return of share capital, payment of calls or otherwise, as the board may determine and on any terms that the board considers appropriate.

(d) Transfers of Shares

Shares are transferable by an instrument in writing which is in a form approved by ASX, PNGX or the Board or is in any other usual or common form. However, the Board can refuse or delay registration of any transfer of Shares where the ASX Listing Rules, PNGX Listing Rules or other applicable laws and regulations permit and must do so if

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the transfer would be in contravention of the ASX Listing Rules, PNGX Listing Rules or other applicable laws and regulations.

(e) Shareholder proposals

Where a Shareholder gives notice to the Board of a matter proposed to be raised for discussion or resolution at the next meeting of Shareholders and the notice is received by the Board not less than 7 days before the last day on which the notice of meeting must be given to Shareholders, the Board must give notice of the proposal to all Shareholders entitled to receive that notice of meeting. The Company will bear the expense of giving such notice except where the Shareholder gives the notice less than 1 month before the last day on which the notice of meeting must be given, in which case the Shareholder bears the expense.

(f) Liquidation

If the Company is in liquidation and the assets available for distribution among the Shareholders (in that capacity) are insufficient to repay all the paid up capital, those assets will be distributed so that, to the greatest possible extent, the amount distributed to a Shareholder in respect of each Share gives effect to any special or preferential rights attached to any particular class of shares and is proportional to the amount paid up (or which at the commencement of the liquidation ought to have been paid up) on that Share compared with the total paid up capital of the Company.

3. ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

3.1 CHOICES AVAILABLE TO YOU

If you are an Eligible Shareholder, you can choose to:

- take up your Entitlement in full, and if you do so, you may apply for additional New Shares under the Oversubscription Facility – in other words, you subscribe for all of that number of New Shares to which you are entitled as shown on your personalised Entitlement and Acceptance Form, and you may apply for additional New Shares in excess of your Entitlement as shown on your personalised Entitlement and Acceptance Form (see section 3.3);
- take up your Entitlement in part – in other words, you subscribe for some (but not all) of that number of New Shares to which you are entitled as shown on your personalised Entitlement and Acceptance Form (see section 3.3). The part not taken up will lapse and the New Shares not subscribed for may be acquired by Eligible Shareholders under the Oversubscription Facility; or
- not take up any of your Entitlement, in which case you should do nothing. If you do not take up your Entitlement, your Entitlement will lapse and you will not receive any value or payment for your Entitlement. The New Shares not subscribed for may be acquired by Eligible Shareholders under the Oversubscription Facility. Your Entitlement is non-renounceable, which means it is non-transferrable and cannot be sold, traded on PNGX or any other exchange, nor can it be privately transferred. If you do not take up your Entitlement, your percentage holding in Kina will be reduced as a result of the Offer.

If you have received this Prospectus and there is an accompanying personalised Entitlement and Acceptance Form showing your name and entitlement to New Shares, then you are considered an Eligible Shareholder.

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Eligible Shareholders are under no obligation to take up all or any of their Entitlement. However, Eligible Shareholders who do not take up their full Entitlement will have their shareholding interest in the Company diluted (i.e. their percentage holding in Kina will be reduced) compared to Eligible Shareholders who do take up their full Entitlement. The New Shares representing their Entitlement (or the part of their Entitlement not taken up) may be acquired by Eligible Shareholders under the Oversubscription Facility. Shareholders who are not Eligible Shareholders will be automatically diluted as a result of the Offer compared to Eligible Shareholders who take up their Entitlement in full or in part.

3.2 OVERSUBSCRIPTION FACILITY

Any New Shares referable to Entitlements not taken up by 5.00pm (Port Moresby time) on Friday, 6 November 2020 may be made available to those Eligible Shareholders who took up their full Entitlement and applied for additional New Shares under the Oversubscription Facility. If you apply for additional New Shares under the Oversubscription Facility, and if your application is successful (in whole or in part), your additional New Shares will be issued to you at the same time and on the same terms that other New Shares are issued under the Offer. The decision on the number of additional New Shares to be issued to you will be final.

Additional New Shares will only be allocated to Eligible Shareholders if available, and subject to the Companies Act, PNGX Listing Rules and other applicable laws and regulations. If you apply for additional New Shares, there is no guarantee that you will be allocated any additional New Shares. If Eligible Shareholders apply for more additional New Shares than available under the Oversubscription Facility, Kina will scale back applications for additional New Shares in its absolute discretion having regard to the pro-rata Entitlement of Eligible Shareholders who apply for additional New Shares.

3.3 HOW TO TAKE UP YOUR ENTITLEMENT IN FULL, IN PART AND PARTICIPATE IN THE OVERSUBSCRIPTION FACILITY, OR IN PART

If you are an Eligible Shareholder and wish to take up your Entitlement in full, in part and participate in the Oversubscription Facility, or in part, you should do the following.

Step 1 Complete the personalised Entitlement and Acceptance Form accompanying this Prospectus, also available for download online at www.kinabank.com.pg in accordance with the instructions on the form.

Step 2 Decide how you wish to pay the Application Monies (being K1.97 for each New Share subscribed for, and each additional New Share applied for under the Oversubscription Facility, if applicable). If you take up all of your Entitlement, any Application Monies received for more than your full Entitlement of New Shares will be treated as applying for as many additional New Shares as it will pay for in full.

You may only pay by bank cheque in accordance with the instructions on the personalised Entitlement and Acceptance Form.

Step 3 Return the completed and signed Entitlement and Acceptance Form, together with payment for the full Application Monies, in accordance with the instructions on the Entitlement and Acceptance Form.

Your completed form, together with your payment, must be received by the Share Registry no later than 5.00pm (Port Moresby time) on Friday, 6 November 2020.

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3.4 DEALINGS WITH APPLICATION MONIES

Application Monies received from Eligible Shareholders will be held in bank accounts established and kept by the Company or the Share Registry solely for the purpose of holding the Application Monies.

The Company also reserves the right to withdraw or cancel the Offer at any time prior to the issue of New Shares. If it does so, all Application Monies will be refunded to applicants without interest.

4. RISK FACTORS

Before applying for New Shares, you should closely read all of this Prospectus and consider whether the New Shares are a suitable investment for you. You should also closely read all of the Half-Year Report, Annual Report and Investor Presentation.

Eligible Retail Shareholders should be aware that an investment in Kina, including taking up your Entitlement, involves risks. The key risks identified by Kina are set out in the "Key Corporate and Transaction Risks" section of the Investor Presentation in Schedule 1 of this Prospectus, but these are not an exhaustive list of the risks associated with an investment in New Shares.

Participating in the Offer and investing in New Shares involves a degree of risk. Some of these risks are specific to an investment in the Company, while others relate generally to any investment in the equity markets. The occurrence of these risks could have an adverse impact on the Company's business, its results or financial condition and performance, or its Share price. In particular, investors should note that the unprecedented uncertainties and risks created by the COVID-19 pandemic could materially change Kina's risk profile at any point after the date of this Prospectus and adversely impact the financial position and prospects of the Group in the future.

5. PNGX ANNOUNCEMENTS

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, the Company's office. The Company will provide free of charge to any person who requests it during the period of the Offer a copy of:

- (a) the Annual Report for the period ended 31 December 2019 as lodged the PNGX on 17 April 2020;
- (b) the Half Yearly Report for the period ended 30 June 2020 as lodged with the PNGX on 27 August 2020; and
- (c) the continuous disclosure notices given by the Company to notify the PNGX of information relating to the Company during the period from the date of lodgement of the Half Yearly Report lodged with the PNGX on 27 August 2020, until the date of this Prospectus.

As the Company is also listed on the ASX, all notices that were released on the PNGX were also released on the ASX platform.

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Date lodged	Subject of Announcement
27 August 2020	Appendix 4D – Half-Year Report
27 August 2020	Kina Securities delivers continued solid growth in NPAT
27 August 2020	Consolidated Financial Statements – Half Year Ended 30/06/20
27 August 2020	Dividend/Distribution – KSL
27 August 2020	2020 Half-Year Results Investor Presentation
27 August 2020	Amended Appendix 4D – Half Year Report
17 August 2020	Completion of Short-Form Amalgamation
10 September 2020	Trading Halt
10 September 2020	Equity Raising to provide platform for growth
10 September 2020	Equity Raising Investor Presentation
10 September 2020	Entitlement Offer Cleansing Notice
10 September 2020	Appendix 3B Proposed issue of Securities
10 September 2020	Appendix 3B for PNG re PNG Retail Offer
14 September 2020	Successful completion of Placement & Institutional Offer
14 September 2020	Retail Entitlement Offer Booklet
17 September 2020	Kina completes despatch of Retail Entitlement Offer booklet
18 September 2020	Appendix 2A – Institutional Placement and Entitlement Offer
21 September 2020	Institutional Placement Cleansing Notice

6. INVESTOR PRESENTATION

Please refer to Schedule 1 for the investor presentation which was released on the PNGX on Thursday, 10 September 2020.

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7. PNG TAX IMPLICATIONS

7.1 INTRODUCTION

The comments below provide a general summary of PNG income tax, goods and services tax ("GST") and stamp duty implications of the Offer for Eligible Shareholders that are PNG residents and hold New Shares on capital account. In addition, the summary below applies only to Eligible Shareholders who are PNG tax resident individuals, companies or complying superannuation funds. The summary does not apply to Eligible Shareholders who:

- hold Shares as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading);
- may be subject to special tax rules, such as insurance companies, partnerships, tax exempt taxpayers, trusts (except where expressly stated), or temporary residents.

The summary does not take account of the individual circumstances of particular Eligible Shareholders and does not constitute tax advice. It does not purport to be a complete analysis of the potential tax consequences of the Entitlement Offer and is intended as a general summary of PNG tax implications. Eligible Shareholders should seek professional advice on the taxation implications of acquiring, owning and disposing of Shares, taking into account their specific circumstances.

Tax laws are complex and subject to ongoing change. The comments below are based on the PNG tax law as it applies as at 9.00am (AEST) on Friday, 25 September 2020. Other than as expressly discussed or specified, the comments do not take into account or anticipate changes in PNG tax law or future judicial interpretations of law after this time. If there is a change, including a change having retrospective effect, the income tax, stamp duty and GST consequences of the Entitlement Offer should be reconsidered in light of the changes. The summary provided below does not take into account tax legislation of any country other than PNG.

This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. The Company and its advisors disclaim all liability to any Eligible Shareholders or other party for all costs, loss, damage and liability that Eligible Shareholders or other party may suffer or incur arising from, relating to or in any way connected with the contents of this summary or the provision of this summary to the Eligible Shareholder or other party or the reliance on this summary by the Shareholder or other party.

7.2 GRANTING OF AN ENTITLEMENT

On the grant of an Entitlement you should not derive any assessable income for PNG income tax. The grant of the Entitlement should not be regarded as a dividend.

7.3 IF YOU TAKE UP YOUR ENTITLEMENT

Upon taking up your Entitlement in full or in part you should not derive any assessable income for PNG income tax purposes. The amount paid to acquire your New Shares will not be deductible for PNG income tax purposes because it is of a capital nature.

As there is no PNG capital gains tax, the amount you pay to acquire the New Shares will not be relevant for PNG income tax purposes (provided that you have not acquired the New Shares for the purpose of profit-making by sale or as part of a profit-making undertaking or scheme).

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7.4 DISPOSAL OF NEW SHARES

If you dispose of your New Shares you will only derive assessable income for PNG income tax purposes if you acquired the New Shares for the purpose of profit-making by sale or as part of a profit-making undertaking or scheme. There is no capital gains tax as such in PNG.

7.5 STAMP DUTY

No stamp duty will be payable on the grant or exercise of an Entitlement.

Transfers of any marketable securities listed on PNGX are exempt from stamp duty in PNG where effected through a licensed broker. New Shares are expected to be listed on PNGX and ASX.

Apart from the exemption stated above, transfers of New Shares will be liable to stamp duty at the rate of 1% of the consideration for or value of the securities, whichever is greater.

7.6 GOODS AND SERVICES TAX

PNG goods and services tax will not apply to any Application Monies you pay in consideration for New Shares issued on exercise of your Entitlement.

7.7 TAXATION IN RESPECT OF DIVIDENDS ON NEW SHARES

Any future dividends or other distributions made in respect of New Shares will be subject to the same income taxation treatment as dividends or other distributions made on Existing Shares held in the same circumstances.

Consent

Isikeli Taureka, Chairman of the Company:

- has consented to the issue of this Prospectus with the statements which he has made in the form and context in which they have been included in the Prospectus; and
- has given and has not, before the issue of this Prospectus, withdrawn the consent referred to above.

This Prospectus is signed by Chetan Chopra, as agent for (and who has been authorised in writing by) each of Mr Isikeli Taureka, Mr Greg Pawson, Mr Andrew Carriline, Mr Paul Hutchinson, Ms Karen Smith-Pomeroy and Dr Jane Thomason each of whom is a Director as at the date of this Prospectus and as at the time this Prospectus was submitted to the Securities Commission for approval.



Chetan Chopra

8. GLOSSARY

The meanings of the terms used in this Prospectus are set out below.

TERM	MEANING
Annual Report	the meaning given in section 1.1
Application Monies	monies equal to K1.97 multiplied by the number of New Shares applied for by an Eligible Shareholder
ASX	ASX Limited (ACN 008 624 691) or, where the context requires, the securities exchange operated by it on which Shares are quoted
ASX Listing Rules	the listing rules of ASX, as amended from time to time
Board	the board of Directors of the Company
Capital Market Act	the <i>Capital Market Act 2015</i> (PNG)
Companies Act	the <i>Companies Act 1997</i> (PNG)
Company or Kina	Kina Securities Limited, a company incorporated in PNG
Constitution	the constitution of the Company
Director	a director of the Company
Eligible Shareholder	a person: <ul style="list-style-type: none">(a) who is registered as a Shareholder as at the Record Date of 7.00pm (Port Moresby time) on Monday, 14 September 2020;(b) whose address in the Company's share register is in PNG;(c) is not in the United States and is not a person (including nominees or custodians) acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States);(d) was not invited to participate in the Offshore Offer;(e) who did not participate in the Institutional Entitlement Offer; and(f) is eligible under all applicable securities laws to receive an offer under the Offer
Entitlement and Acceptance Form	the personalised Entitlement and Acceptance Form accompanying this Prospectus upon which an application for New Shares may be made
Entitlement	the entitlement of an Eligible Shareholder to subscribe for 1 New Share (at K1.97 each) for every 2 Existing Shares held by the Eligible Shareholder as at the Record Date

Entitlement Offer	the entitlement offer comprising a pro rata accelerated non-renounceable entitlement offer of Shares made to eligible shareholders to raise A\$69,898,067 (K172,375,012) (before costs), comprising a fully underwritten institutional entitlement offer and a fully underwritten retail entitlement offer, as announced to PNGX and ASX on Thursday, 10 September 2020
Existing Shares	the Shares already on issue on the Record Date
Group	the Company and each of its subsidiaries
Ineligible Shareholders	all Shareholders who do not satisfy the criteria to be Eligible Shareholders.
Investor Presentation	means the presentation to investors released to the ASX on Thursday, 10 September 2020, incorporated in Schedule 1 of this Prospectus.
K	Kina, the official currency of Papua New Guinea
New Shares	the Shares offered under this Prospectus
Offer	the offer of New Shares under this Prospectus
Offer Period	the period during which the Offer is open, being between Friday, 25 September 2020 to Friday, 6 November 2020
Offer Price	K1.97 per New Shares, being the price payable per New Share under the Offer
Offshore Offer	the Entitlement Offer and Placement
Oversubscription Facility	the opportunity for Eligible Shareholders who take up all of their Entitlement to also apply for additional New Shares in excess of their Entitlement
Placement	the offer of Shares to institutional investors to raise A\$10,468,657 (K25,816,663) (before costs), as announced to PNGX and ASX on Thursday, 10 September 2020
PNG	the Independent State of Papua New Guinea
PNGX	PNG's National Stock Exchange
PNGX Listing Rules	the listing rules of PNGX, as amended from time to time
Prospectus	this prospectus, as well as any supplementary or replacement prospectus
Record Date	7.00pm (Port Moresby time) on Monday, 14 September 2020
Registrar of Companies	PNG Registrar of Companies

Securities Commission	Securities Commission of Papua New Guinea established pursuant to the <i>Securities Commission Act 2015</i> (PNG)
Share	a fully paid ordinary share issued in the capital of the Company
Shareholder	a person registered as the holder of one or more Shares
Share Registry	the Company's share registry, Link Market Services Limited (ACN 083 214 537)
United States	the United States of America
US Person	the meaning given to "US Person" in Regulation S of the US Securities Act
US Securities Act	the <i>US Securities Act of 1933</i> , as amended

CORPORATE DIRECTORY

COMPANY

Kina Securities Limited
Level 9, Kina Bank Haus
Douglas Street
Port Moresby
Papua New Guinea

SHARE REGISTRY

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000

LEGAL ADVISER

Dentons PNG
Level 5, BSP Haus
Harbour City
Konedobu Port Moresby, NCD 121
Papua New Guinea

KINA OFFER INFORMATION LINE

International: +61 1800 550 560
Australia: 1800 550 560
PNG: +675 321 6377
Open 8.30am to 5.30pm (Port Moresby time) Monday to Friday during the Offer Period



Equity Raising Investor Presentation

Kina Securities Limited | 10 September 2020



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Important Notice and Disclaimer



The following notice and disclaimer applies to this investor presentation ("Presentation") and you are therefore advised to read this carefully before reading or making any other use of this Presentation or any information contained in this Presentation. By accepting this Presentation, you represent and warrant that you are entitled to receive this Presentation in accordance with the restrictions, and agree to be bound by the limitations, contained within it.

This Presentation has been prepared by Kina Securities Limited (ARBN 606 168 594) (ASX: KSL | PNGX: KSL) (Kina, KSL, or the Company) and is dated 10 September 2020. This Presentation has been prepared in connection with the Company's proposed equity raising ("Offer") of new fully paid ordinary shares ("New Shares") in Kina, comprising:

- A fully underwritten placement of New Shares to eligible institutional and sophisticated investors ("Placement") under section 708A of the Corporations Act 2001 (Cth) ("Corporations Act").
- A fully underwritten pro rata non-renounceable accelerated entitlement offer to certain eligible shareholders of the Company ("Entitlement Offer"). The Entitlement Offer is being made to:
 - eligible institutional shareholders of Kina ("Institutional Entitlement Offer"); and
 - eligible retail shareholders of Kina ("Retail Entitlement Offer"), under section 708AA of the Corporations Act (as modified by the Australian Securities and Investments Commission Corporations ("ASIC") (Non-Traditional Rights Issues) Instrument 2016/84).
- An offer to eligible shareholders in Papua New Guinea ("PNG") ("PNG Retail Offer").

Summary information: This Presentation contains summary information about Kina and its subsidiaries ("Group") and their respective activities which are current as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all information which a prospective investor may require in evaluating a possible investment in the Company or that would be required in a prospectus, product disclosure statement or other disclosure document prepared in accordance with the requirements of the Corporations Act, or in a prospectus prepared in accordance with the requirements of the *Capital Market Act 2015* (PNG). This Presentation should be read in conjunction with Kina's other periodic and continuous disclosure information lodged with the Australian Securities Exchange ("ASX"), which are available at www.asx.com.au, or lodged with the PNG National Stock Exchange ("PNGX"), which are available at www.pngx.com.pg.

Market and industry data: Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. None of Kina, its representatives or advisers have independently verified any such market or industry data provided by third parties or industry or general publications.

Not an offer: This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law, PNG law or any other law (and will not be lodged with ASIC or the Securities Commission of PNG). This Presentation is not and should not be considered an offer or an invitation to acquire entitlements or New Shares or any other financial products. The Retail Entitlement Offer will be made on the basis of the information contained in the retail offer booklet to be prepared for eligible retail shareholders in Australia and New Zealand and certain other eligible retail shareholders ("Retail Offer Booklet"), and made available following its lodgement with ASX and PNGX. Any eligible retail shareholder who wishes to participate in the Retail Entitlement Offer should consider the Retail Offer Booklet before deciding whether to apply for New Shares under the Retail Entitlement Offer. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Retail Offer Booklet and the entitlement and acceptance form.

This Presentation is not and should not be considered an offer or an invitation to acquire entitlements or New Shares or any other financial products. The Retail Entitlement Offer will be made on the basis of the information contained in the retail offer booklet to be prepared for eligible retail shareholders in Australia and New Zealand and certain other eligible retail shareholders ("Retail Offer Booklet"), and made available following its lodgement with ASX and PNGX. Any eligible shareholder who wishes to participate in the Retail Entitlement Offer should consider the Retail Offer Booklet before deciding whether to apply for New Shares under the Retail Entitlement Offer.

Not for release or distribution in the United States: This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this Presentation have not been, and will not be, registered under the US Securities Act of 1933, as amended (the US Securities Act) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States unless the securities have been registered under the US Securities Act (which Kina has no obligation to do or procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

The distribution of this Presentation in jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws (see "Selling Restrictions" section of this Presentation). By accepting this Presentation you represent and warrant that you are entitled to receive such presentation in accordance with the above restrictions and agree to be bound by the limitations contained therein.

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Important Notice and Disclaimer



Not financial product advice: This Presentation does not constitute financial product or investment advice or any recommendation to acquire New Shares or accounting, legal or tax advice.

Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of the Group and the impact that different future outcomes might have on the Group. Information in this Presentation is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. Kina is not licensed to provide financial product advice in respect of the New Shares. Cooling off rights do not apply to the acquisition of New Shares under the Offer.

Investment risk: An investment in New Shares is subject to known and unknown risks, some of which are beyond the control of the Group. The Company does not guarantee any particular rate of return or the performance of the Group, nor does it guarantee any particular tax treatment. Persons should have regard to the risk factors outlined in the Key Corporate and Transaction Risk section of this Presentation.

Financial data: All references to dollars, cents or \$ in this document are to Australian currency, unless otherwise stated.

This Presentation includes certain historical financial information extracted from the Company's audited consolidated financial statements for the half year ended 30 June 2020 (collectively, the "Historical Financial Information"). The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by the Australian Accounting Standards ("AAS"), the International Financial Reporting Standards (including the interpretations of the International Financial Reporting Interpretations Committee) ("IFRS") and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act or the PNG Companies Act 1997 (amended 2014).

The Historical Financial Information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of the Company's views on its future financial condition and/or performance. Recipients of this Presentation should specifically note that this Presentation contains pro forma financial information (in particular, a pro forma historical balance sheet, pro forma capitalisation, liquidity and gearing to reflect the impact of the Offer and transaction costs). The pro forma historical balance sheet has been prepared by the Company in accordance with the measurement and recognition requirements, but not the disclosure requirements of applicable accounting standards and other mandatory reporting requirements in Australia or PNG. Investors should also note that the pro forma financial information is for illustrative purposes only, is not represented as being indicative of the Company's views on its future financial condition and/or performance, and does not purport to be in compliance with Article 11 of Regulation SX of the rules and regulations of the U.S. Securities and Exchange Commission.

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You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.

Any such statements, opinions and estimates in this Presentation speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this Presentation are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Group, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements may also assume the success of the Company's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond the Company's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Refer to the key risks in the Key Corporate and Transaction Risks section of this Presentation for a non-exhaustive summary of certain key business, offer and general risk factors that may affect the Group.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, currency movements, the PNG and global economic environment and capital market conditions and other risk factors set out in this Presentation. Other risks may materially affect the future performance of Kina and the value of the Shares. Additional risks and uncertainties not presently known to management or that management currently believe not to be material may also affect Kina's business. Accordingly, no assurances or guarantees of future performance, profitability, distributions, or returns of capital are given by Kina or any other person. Investors should consider the forward-looking statements contained in this Presentation in light of those risks and disclosures. The forward-looking statements are based on information available to the Company as at the date of this Presentation.

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Past performance: This Presentation contains a pro forma historical balance sheet. Past performance and pro forma financial information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Group's views on its future financial performance or condition. Investors should note that past performance, including past share price performance, of Kina cannot be relied upon as an indicator of (and provides no guidance as to) future performance of the Group including future share price performance. The historical financial information contained in this Presentation is, or is based on, information that has previously been released to the market.

The information in this Presentation has been obtained from or based on sources believed by Kina to be reliable.

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To the maximum extent permitted by law, Kina, the Underwriter and their advisers, and each of their respective Beneficiaries make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation.

The Underwriter and its advisers, and their respective Beneficiaries make no recommendations as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties to you concerning the Offer. You represent, warrant and agree that you have not relied on any statements made by the Underwriter, their advisers, or any of their respective Beneficiaries in relation to the Offer. You further expressly disclaim that you are in a fiduciary relationship with any of Kina, the Underwriter or their advisers or any of their respective Beneficiaries.

You acknowledge and agree that determination and eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal and regulatory requirements and the discretion of Kina and the Underwriter. You further acknowledge and agree that Kina and the Underwriter and their respective Beneficiaries exclude and expressly disclaim any duty or liability (including for negligence) in respect of the exercise of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Statements made in this Presentation are made only as at the date of this Presentation. None of the Underwriter, nor any of their or Kina's respective advisers nor any of their respective Beneficiaries have any obligation to update statements in this Presentation. The information in this Presentation remains subject to change without notice. Kina reserves the right to withdraw the Offer or vary the timetable for the Offer without notice. All references to time are to AEST, unless otherwise indicated.

The Underwriter may have interests in the securities of Kina, including by providing corporate advisory services to Kina. Further, the Underwriter may act as market maker or buy or sell those securities or associated derivatives as principal or agent. The Underwriter may receive fees for acting in their capacity as a lead manager and underwriter to the Offer.

In connection with the institutional bookbuild, one or more institutional investors may elect to acquire an economic interest in the New Shares ("Economic Interest"), instead of subscribing for or acquiring the legal or beneficial interest in those shares. The Underwriter (or their respective affiliates) may, for its own account, write derivative transactions with those investors relating to the New Shares to provide the Economic Interest, or otherwise acquire shares in Kina in connection with the writing of those derivative transactions in the institutional bookbuild and/or the secondary market. As a result of those transactions, the Underwriter (or their respective affiliates) may be allocated, subscribe for or acquire New Shares or shares of Kina in the institutional bookbuild and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in those shares. These transactions may, together with other shares in Kina acquired by the Underwriter or their respective affiliates in connection with their ordinary course sales and trading, principal investing and other activities, result in the Underwriter or their respective affiliates disclosing a substantial holding and earning fees.

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Executive Summary

KSL is conducting an equity raising to enhance its capital base and regulatory ratios following the simplification of its corporate legal structure and to provide for continued strong underlying organic growth. This will provide capacity for anticipated loan growth in the medium term, and to compete more effectively in the targeted larger SME, Commercial and Corporate segments of the PNG market.

In August, 2020 Kina completed a planned amalgamation of the KSL Group operations delivering the following outcomes:-

- Kina Securities Limited is now the parent company and the holder of the Banking License – an Authorised Financial Institution.
- A structure that allowed an enhanced Capital Management Plan to be implemented.
- A more streamlined structure from an operations and management perspective.
- Eliminated the need for inter-company loans of PGK 175 million and related compliance with the BPNG Prudential Standards on both the Capital Adequacy Ratio (CAR) and the Single Borrower Limit (SBL).
- Eliminated the exemption to exclude the deduction of Goodwill of PGK 92 million from the calculation of Tier 1 Capital resulting in a reduction of both the CAR and SBL albeit still within the Prudential Guidelines but potentially restricting medium term loan growth opportunities.

With the exception of the strategic investment by ADB of USD 10 million in December, 2019, KSL has not undertaken a capital raise since the IPO in 2015. Over the past ten consecutive half years Kina Bank has continued to pay dividends at or above 60% of NPAT maintaining an appropriate balance between the dividend payout ratio and organic growth.

The ANZ acquisition was completed without a capital raising and despite this, KSL has increased its total asset base from PGK 986 million in 2015 to PGK 3,025 million and increased lending assets from PGK 374 million to PGK 1,420 million. Post the ANZ acquisition, Kina has increased its market share from 4% in 2015 to 12% and has an aspiration to growth this to 20-25% over the next 3-5 years. While organic loan book growth has been achieved an average of 20% per annum, the existing capital base, CAR and SBL will potentially inhibit the Bank's ability to achieve more immediate scale in market share.

Kina has experienced continued high growth in foreign exchange earnings. Strong revenue growth is important for the bank to continue to invest and reduce its cost to income ratio ensuring it is well placed for any future potential and strategically aligned inorganic opportunities.

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Executive Summary cont.

Further important considerations:-

Single Borrower Limit: A key constraint of the current SBL of PGK 50 million is Kina's ability to service larger SME's Commercial and Corporate customers for 'whole of wallet' business. These include many national and multi-national organisations. A higher capital base will enable Kina to compete more effectively in the segments of the market and in accordance with the Bank's 2025 Strategic Plan.

Capital Adequacy: Post amalgamation the CAR is approximately 14%. While this is an acceptable level above the Prudential limit, it does not provide Kina with an strong platform for growth. The additional capital will increase the CAR to approximately 21% providing significant capacity for expansion and provides support for targeted and non sovereign SME, Commercial and Corporate businesses.

Targeted SME, Commercial and Corporates: The ability to acquire these larger businesses as customers enables a more holistic banking relationship with cross sell of loan, FX, and transactional products and services for a main bank relationship positioning. These larger market opportunities are also generally better credit risk rated clients. Growth from these sectors of the market are at the centre of the Bank's 2025 strategic plan and market share aspirations.

Targeted Deposits: Multi-national companies (MNC) and Super Funds have a structured process for placing deposits with financial institutions. Strength of balance sheet and capital position are a contributing factor when assessing deposit limits. A significant value of market liquidity is held by these organisations.

Other Intangible Benefits: There are also several intangible benefits from being a well capitalised bank which include providing general customer confidence in PNG and offshore through correspondent banking arrangements; greater confidence to regulators, vendors and strategic business partners. A higher market capitalisation also provides inclusion in the larger indices on ASX enhancing the liquidity of the KSL stock and increasing market awareness and profile.

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Kina Bank Overview

Financial Results

Acquired ANZ business and deposits successfully with organic business and significant progress made on strategic initiatives to deliver strong growth.

First Half 2020

- Revenue up 78% to PGK 149.2 million.
- Net interest income up by 76% to PGK 80.4 million.
- NPAT up 24% on pcp to PGK 29.3 million.
- Earnings per share 16.8 toea up 17%.
- Return on equity 17.8% up 2%.
- FX income up 52% to PGK 28.5 million.
- Total Deposits at PGK 2.5 billion.
- Total Net Loans at PGK 1.42 billion.
- Customer Numbers grew by 5,968 to over 165,000.
- Funds Administration up 29% to PGK 3.5 million.
- Revenue from new digital channels PGK 7.6 million.

Highlights

1. Delivered on planned gains from ANZ acquisition.
2. Completed tech build to provide MiBank with POS services, ATM interchange, BPNG clearing, and debit card production.
3. New digital channels delivered strong growth in fee revenue from cards, internet banking, USSD and EFTPOS.
4. Announced and completed short form amalgamation to simplify the Group's operating model and capital structure.
5. Announced major community partnership with Kokoda Track Foundation co-funding a new education centre.
6. Piloted digital concierge, digital kiosks and online account opening in branch, significantly modernising banking in PNG.
7. Launched an extensive brand campaign with three prominent PNG influencers, showcasing commitment to SME's. A significant milestone in Kina's corporate history and profile.
8. Continued strong culture engagement with the first staff engagement survey achieving a 94% response rate. Results showing strong underlying staff satisfaction and commitment to the corporate vision.
9. Took significant socially responsible action to ensure minimal impact of Covid-19 on staff and the business.
10. Divested Esiloans portfolio to MiBank for K32.5m in line with strategic partnership.

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Overview of Equity Raising

Offer Size and Structure	<ul style="list-style-type: none"> • Equity Raising up to approximately A\$ 92 million / K 224 million¹ comprising: <ul style="list-style-type: none"> • A\$ 10.5 million underwritten institutional placement ("Placement"); • A\$ 70 million underwritten 1 for 2 accelerated pro rata non-renounceable Entitlement Offer ("Entitlement Offer"), comprising: <ul style="list-style-type: none"> • An underwritten accelerated institutional component ("Institutional Entitlement Offer"); and • An underwritten retail component ("Retail Entitlement Offer"); and • A non-underwritten PNG offer to eligible PNG shareholders ("PNG Retail Offer"³) to raise approximately A\$ 10.5 million / K 26 million • Approximately 113.5 million⁴ New Shares to be issued representing 65% of Kina existing shares on issue
Offer Price	<p>All shares under the Placement and Entitlement Offer will be issued at \$0.80 per New Share (Offer Price)</p> <ul style="list-style-type: none"> • 14.4% discount to the last traded price of A\$ 0.935 on Wednesday 10 September⁵ 2020 • 9.30% discount to TERP⁵ of A\$ 0.882
Placement and Institutional Entitlement Offer	<ul style="list-style-type: none"> • Placement and Institutional Entitlement Offer to be conducted by way of a book-build process that will open at 10.00 am (AEST) on Thursday 10 September 2020 and close at 6.00 pm (AEST) on Friday 11 September 2020.
Retail Entitlement Offer²	<ul style="list-style-type: none"> • The Retail Entitlement Offer will open on 10.00am (AEST) Thursday 17 September 2020 and close on 5.00pm (AEST) Thursday 1 October 2020 • Eligible retail shareholders may also apply for additional New Shares beyond their entitlement, subject to the limitations and scale-back discretion detailed in the Retail Offer Booklet
PNG Retail Offer⁶	<ul style="list-style-type: none"> • The PNG Retail Offer will be made under a PNG registered prospectus, expected to be dispatched mid October 2020⁵ • Eligible retail shareholders may also apply for additional New Shares beyond their entitlement, subject to the limitations and scale-back discretion detailed in the Retail Offer Booklet
Underwriter	Morgans Corporate Limited
Ranking	All New Shares issued under the Offer will rank pari passu with existing shares on issue

1. Exchange rate of 1 PGK / 0.4055 AUD

2. Retail Entitlement Offer is only available to eligible retail shareholders in Australia or New Zealand and certain other eligible retail shareholders on the Record Date – see the Retail Offer Booklet for further details on eligibility once available.

3. PNG Retail Offer is only available to eligible retail shareholders in PNG on the Record Date – see the PNG Prospectus for further details on eligibility once available. The PNG Retail Offer is subject to Kina obtaining PNG regulatory approvals.

4. Includes shares issued under the Underwritten Placement and the Entitlement Offer and the PNG Retail Offer.

5. Theoretical ex-rights price (TERP) includes shares issued under the Placement, Institutional Entitlement Offer, Retail Entitlement Offer and the PNG Retail Offer. TERP is a theoretical calculation only and the actual price at which Kina Share shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP.

6. The PNG Retail Offer is not underwritten. Under the Retail Entitlement Offer, Eligible Retail Shareholders that take up their full entitlement may also apply for additional New Shares via the Top-Up Facility.

Key Dates

Announcement of Equity Raising and enter trading halt	Thursday 10 September 2020
Placement and Accelerated Non-Renounceable Entitlement Offer opens	10.00am (AEST) Thursday 10 September 2020
Placement and Accelerated Non-Renounceable Entitlement Offer closes	6.00pm (AEST) Thursday 10 September 2020
Announcement of completion of Placement and Accelerated Non-Renounceable Entitlement Offer, trading halt lifted, existing shares recommence trading	Monday 14 September 2020
Record Date Entitlement Offer	7pm (AEST) Monday 14 September 2020
Retail Entitlement Offer Information booklet and entitlement and acceptance form despatched	Thursday 17 September 2020
Retail Entitlement Offer opens	Thursday 17 September 2020
Settlement of Accelerated Entitlement Offer and Placement	Friday 18 September 2020
Allotment of New Shares issued under the Accelerated Entitlement Offer and Placement	Monday 21 September 2020
Quotation of New Shares issued under the Accelerated Entitlement Offer and Placement	Tuesday 22 September 2020
Trading commences on a normal basis for New Shares issued under the Placement and Accelerated Entitlement Offer	Tuesday 22 September 2020
Retail Entitlement Offer closes	5.00pm (AEST) Thursday 1 October 2020

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Key Dates cont.

Announcement of results of Retail Entitlement Offer and notification of any shortfall	Tuesday 6 October 2020
Settlement of Retail Entitlement Offer	Wednesday 7 October 2020
Allotment and issue of new Shares under the Retail Entitlement Offer	Thursday 8 October 2020
Quotation of shares issued under the Retail Entitlement Offer and trading commences on a normal basis	Friday 9 October 2020
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	Monday 12 October 2020

Note: All dates are subject to change and are indicative only. The company, in consultation with the Lead Manager and Underwriter, reserves the right to vary these dates without prior notice.

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Strategic Rationale

- As reported in the recent H2FY2020 results, Kina Bank continues to see significant additional growth opportunities, both organic and inorganic, across its new and existing customer base both in terms of additional services from existing clients and market share gains from competitors. This capital issue will put Kina Bank in a stronger position to take advantage of such opportunities on the back of a stronger capital base, particularly the Capital Adequacy and Single Borrower Limits.
- Also informed to the market in May 2020, Kina Bank has undertaken an amalgamation and simplification of its corporate structure which was approved by the IPA on 1 September 2020, effective July 2020. This capital raise is intended to enhance the capital ratios and enable the bank to retain its competitiveness.
- Kina Bank will also apply a portion of the raise to its Strategic projects that will enhance the company's leadership position in the banking industry. These capabilities are revenue accretive from day of implementation.

Sources	A\$(m)	Uses	A\$(m)
Underwritten Entitlement Offer	A\$ 70 m	Gross Loans and Assets through increased capital	A\$ 75 m
Underwritten Placement	A\$ 10.5 m	Strategic projects enhancing Digital leadership	A\$ 10 m
Non Underwritten PNG Offer	A\$ 10.5 m	Costs of the Offer	A\$ 6 m
Total	A\$ 91 m		A\$ 91 m

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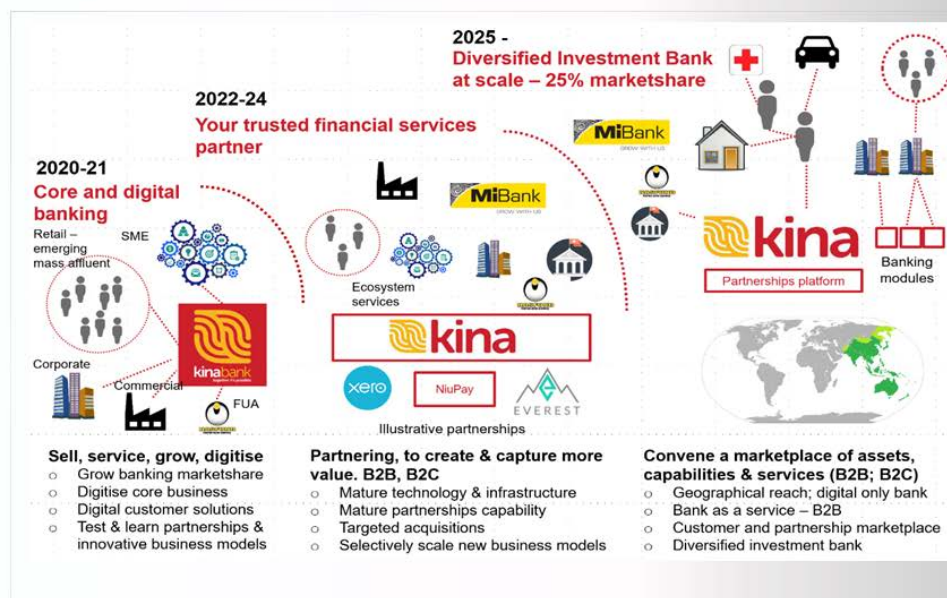
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2025 Strategic Plan – Visual

The 2025 Strategy describes how Kina Bank will grow market share and financial results, build resilience and achieve competitive advantage from 2020 to 2025. It provides target state business models (including optionality), implementation phasing, and an execution framework.

The 2025 Strategy defines the opportunity, over 5 years, to:

- grow core banking market share and financial results;
- commercialise innovative in-market offers (adjacencies) to provide more value to existing customers and access larger financial value pools;
- explore and experiment with strategic opportunity and strategic risk, to build resilience and future value pools; and
- grow organisational capabilities as strategic assets, to enable revenue agility and resilience.



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Proforma Financials

All figures in PGK Millions	Pre - Issue Balance Sheet		Post Capital Raise	
	30/06/2020	Amalgamated Business 31/07/2020	Capital Raise	Balance Sheet
Assets				
Cash and equivalents	304.7	230.3	224.1	454.4
Loans	1,420.5	1,480.0		1,480.0
Investments	796.4	816.5		816.5
Other assets	483.6	508.5		508.5
Total Assets	3,005.2	3,035.3	224.1	3,259.4
Liabilities				
Deposits	(2,525.4)	(2,548.5)	-	(2,548.5)
Other liabilities	(149.3)	(151.2)		(151.2)
Total Liabilities	(2,674.7)	(2,699.7)	-	(2,699.7)
Net Assets	330.5	335.6	224.1	559.7
Capital				
Issued and fully paid capital	(177.0)	(177.0)	(224.1)	(401.0)
Other capital items	(153.5)	(158.6)		(158.6)
	(330.5)	(335.6)	(224.1)	(559.7)
Total Capital Ratio (Total Capital / Risk Weighted Assets)	21.9%	13.9%	n/a	20.8%
Leverage Ratio (Tier 1 Capital / Total Assets)	10.1%	6.0%	n/a	8.9%
Single Borrower Limit - PGK'm		51.5	n/a	K 107 m
Total Shares (in millions)	174.7	174.7	113.6	288.3

Notes:-

- The proforma balance sheet is provided for illustrative purposes and includes estimates and not forecasts.
- Total shares on issue includes PNG Retail Offer.

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PNG Economic Update

- Domestic environment sees new macro-economic challenges, most prominent is Covid-19. PNG Govt. Announced PGK 5.6 billion economic support package adding to fiscal issues.
- They have also secured USD 363 million assistance from IMF's Covid-19 relief fund, an additional USD 550 million from AUS Government, ADB and World Bank.
- PNG Govt. Balance Sheet in relatively good position with Debt to GDP forecast at 44% for 2020. GDP is expected to contract by -1.5% in relative terms impacted by supply and demand side for PNG's major commodity exports.
- Major Natural Resource Projects such as Papua LNG, P'Yang LNG and Walfi-Golpu deferred representing up to USD 31 billion investment in PNG.
- FX flows and forward import cover from normal trade has marginally declined albeit assisted by development partners and donor agencies. Total outstanding orders for goods and services imports circa PGK 1.3 billion which is consistent with prior reporting period.
- Covid-19 Pandemic business restrictions and lock-downs have been less severe to avoid unintended adverse social implications. At this date over 497 active cases and 5 reported deaths. Domestic demand remains stable although some signs that slowing.



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Key Corporate and Transaction Risks

General economic and share market risk

The performance of Kina, in common with other companies, is subject to general economic conditions, movements in interest and inflation rates, and currency exchange rates which may have an adverse effect on Kina's activities, as well as its ability to fund those activities. There can be no assurance that a weakening in the PNG economy or that a weakening in the economic and business conditions of other countries, will not have an adverse effect on Kina's financial condition and on the results of its operations. Adverse changes to the economic and business conditions in PNG and other economies such as Australia, New Zealand, China, India, Japan, Malaysia, members of the European Union and the United States could also negatively impact Kina's customers and investments.

Foreign exchange transactions are a material component of Kina's business. Revenue generation and profitability in respect of foreign exchange transactions are dependent on volumes and margins, which are subject to volatility and regulatory intervention by BPNG. There is a risk that continued volatility, and further changes in applicable regulations or policy, may adversely impact future Kina revenue and profitability.

There are also risks associated with any investment in a company listed on the ASX. The value of shares may rise above or below the current share price, depending on the operational and financial performance of Kina and a number of external factors over which none of Kina, its Directors or its employees have any control. Those external factors include economic conditions in the Papua New Guinea and other overseas jurisdictions which may impact equity capital markets; changing investor sentiment in Australia, Papua New Guinea and other overseas share markets; changes in fiscal, monetary, regulatory or other government policies and developments and general conditions in the markets in which Kina proposes to operate and which may impact on the future value and pricing of Kina shares.

COVID-19

The ongoing COVID-19 pandemic has had a significant impact on the global and PNG economy and the ability of businesses, individuals, and governments to operate. There continues to be considerable uncertainty as to the duration and further impact of COVID-19, including (but not limited to) in relation to government, regulatory or health authority actions, work stoppages, lockdowns, quarantines, and travel restrictions. A suspension of operations, or quarantining of Kina employees, may affect Kina's overall operations and operating results. These factors are beyond Kina's control and could have an adverse effect on the overall business sentiment and environment, causing material uncertainties in the regions where Kina conducts its business, cause Kina's business to suffer in ways that cannot be predicted with any reasonable certainty, and which may materially adversely impact Kina's business, financial condition and results of operations.

Risk of major systematic shock to PNG or other financial system

There is a risk that major systemic shock, similar to that experienced during the global financial crisis could occur causing an adverse impact on the financial system in PNG.

The financial services industry and capital markets have been, and may continue to be, adversely affected by market volatility and uncertainty as to the outlook of global economic conditions. Any such market and economic disruptions could have an adverse effect on financial institutions such as Kina because consumer and business confidence may decrease.

Competition

The financial services industry is highly competitive and, as a result, Kina faces competition in various aspects of its business. Kina's key competitors include Westpac and BSP, who compete with Kina's provision of core banking services in PNG. If Kina is unable to compete effectively in its various businesses and markets, its market share may decline. Increased competition may also divert business to Kina's competitors or create pressure to lower margins. Kina is also dependent on its ability to offer products and services that match evolving customer preferences, habits and sentiment. If Kina is not successful in developing or introducing new products and services or responding or adapting to changes in customer preferences, habits and sentiment, Kina may lose its customers to competitors. This could adversely affect Kina's businesses, financial performance, financial condition and prospects.

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Key Corporate and Transaction Risks

Compliance with laws, regulation and regulatory policy

A number of laws and regulations apply to the businesses carried on by entities within the Group. Entities within the Group are supervised by one or more regulatory authorities which have broad administrative powers over the businesses operated by the relevant entity. Such regulatory authorities include the Securities Commission, Registrar of Companies and, to the extent businesses are regulated under the Banks and Financial Institutions Act 2000 (PNG) or Securities Act 1997 (PNG).

Regulatory and other governmental agencies (including courts, revenue and tax authorities) frequently review banking and tax laws, regulations, codes of practice and policies. Changes to laws, regulations, codes of practice or policies, including changes in interpretation or implementation of laws, regulations, codes of practice or policies could affect Kina in substantial and unpredictable ways. Additionally, any such changes may adversely affect Kina's business, operations and financial condition. The changes may lead Kina to, among other things, change its business mix, incur additional costs as a result of increased management attention, hold significant levels of additional liquid assets.

Credit Risk and decline in assets market

Credit risk is a significant risk and arises primarily from Kina's lending and investment activities. The risk arises from the likelihood that some customers and counterparties will be unable to honour their obligations to Kina, including the repayment of loans and interest. Kina's banking operations hold assessed provisions for its credit exposures. If economic conditions deteriorate, some customers and / or counterparties could experience higher levels of financial stress and Kina may experience a significant increase in defaults and writeoffs, and be required to increase its provisioning.

Deterioration in economic conditions, inadequate provisioning or significant breakdown in credit disciplines, could diminish available capital and could adversely affect Kina's businesses, financial performance, liquidity, capital resources and financial condition.

There is a risk that the economic consequences of COVID 19 could become more severe and far reaching across the economy, leading to a more widespread downturn in business and economic activity. This would likely result in a significant loss of revenue for many businesses across a wide range of industry sectors, in turn potentially leading to further increased unemployment and customer defaults. Kina's performance is influenced by asset markets in PNG and other jurisdictions, including equity, property and other investment asset markets. Declining asset prices could also impact customers and counterparties and the value of security Kina holds against loans which may impact Kina's ability to recover amounts owing to it if customers or counterparties were to default.

In particular, the residential, commercial and rural property lending sectors are important to the businesses of Kina. Overall, the property market has been variable and in some locations there have been substantially reduced asset values. Declining property valuations in PNG or other markets where it does business could decrease the amount of new lending Kina is able to write and / or increase the losses that Kina may experience from existing loans.

For example, a significant decrease in PNG housing market demand or property valuations, or a significant slowdown in housing, commercial or strata title property markets could adversely impact Kina's lending activities because the ability of its borrowers to repay their loans may be affected, causing Kina to incur higher credit losses. These circumstances could also lead to a decline in the demand for its lending products, and this could adversely affect Kina's businesses, financial performance, capital resources, financial condition and prospects.

Additionally, a decline in asset markets and economic conditions generally could have adverse consequences for Kina's clients' funds under management, which would negatively impact on Kina's performance.

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Key Corporate and Transaction Risks

Market risk	Kina is exposed to market risk as a consequence of both its investments and trading activities in financial markets and through asset and liability management of its balance sheet. In Kina's financial market trading business, it is possibly exposed to potential losses arising from adverse movements in levels and volatility of interest rates, foreign exchange rates, and credit prices. In Kina's asset and liability management of its balance sheet, it is possibly exposed to potential losses arising from adverse movements in levels and volatility of interest rates. If Kina was to suffer substantial losses due to any market volatility, it could adversely affect Kina's businesses, financial performance, liquidity, capital resources and financial condition.
Funding and Liquidity risk	<p>Banks and other financial institutions (including Kina) are currently subject to global credit and capital market conditions which experienced extreme volatility, disruption and decreased liquidity following the global financial crisis.</p> <p>If market conditions deteriorate due to economic, financial, political or other reasons, Kina's funding costs may be adversely affected and its liquidity and its funding of lending activities may be constrained. If Kina's current sources of funding prove to be insufficient, it may be forced to seek alternative funding.</p> <p>The availability of such alternative funding, and the terms on which it may be available, will depend on a variety of factors, including prevailing market conditions, the availability of credit, Kina's credit ratings and credit market capacity. Even if available, the cost of these alternatives may be more expensive or on unfavourable terms, which could adversely affect Kina's businesses, liquidity, capital resources, financial performance and financial condition. There is no assurance that Kina will be able to obtain adequate funding at acceptable prices or at all.</p>
Operational	<p>Kina relies to a significant degree on information technology systems. Most of Kina's daily operations are computer based and its information technology systems are essential to maintaining effective communication with customers and keeping pace with the competitive environment. Kina is exposed to a number of system risks, including complete or partial failure of the information technology systems such as inadequacy of internal, partner or third party information technology systems, capacity of the existing systems to effectively accommodate Kina's planned growth and integrate existing and future acquisitions and alliances or systems integration programs not being completed within the timetable or budget, and compromise of information or technology arising from external or internal security threats. Kina has disaster recovery and systems development roadmaps in place to mitigate some of these risks. However, any failure in Kina's information technology systems could result in business interruption, the loss of customers, damaged reputation and weakening of its competitive position.</p> <p>Operational risks including information technology could impact on Kina's operations or adversely affect demand for its products and services and its reputation, which could adversely affect Kina's businesses, financial performance and prospects.</p>
Credit rating risk	<p>Credit ratings are opinions on a bank or financial institution's creditworthiness. Credit ratings affect the cost and availability of funding from capital markets and other funding sources and they may be important to customers or counterparties when evaluating products and services offered by banks and financial institutions. Therefore, maintaining high quality credit ratings is important.</p> <p>If Kina fails to maintain a strong credit rating, this could adversely affect Kina's cost of funds and related margins, competitive position and its access to capital and funding markets, which, in turn, could adversely affect Kina's businesses, financial performance, capital resources, financial condition and prospects. The extent and nature of these impacts would depend on various factors, including the extent of any ratings change, whether the rating of Kina or other members in Kina Group differ among agencies (split ratings) and whether any ratings changes also impact Kina's peers or the sectors in which Kina operates. Standard & Poors' credit rating for PNG stands at B-. Moody's rating for PNG sovereign debt is B2. In general, a sovereign credit rating is used by sovereign wealth funds, pension funds and other investors to gauge the credit worthiness of a country's government. The impact of any downgrades to PNG's sovereign credit rating or its perceived creditworthiness could adversely affect PNG's financial markets and economic conditions and, in turn, Kina's businesses, financial performance and financial condition.</p>

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Key Corporate and Transaction Risks

Investment performance	<p>Kina has a significant investment portfolio, which consists of:</p> <ul style="list-style-type: none"> - commercial bills with BPNG, treasury bills and government-inscribed stock with the PNG Government; - a share portfolio of local shares, vacant land in Port Moresby; and shareholding equity in local companies. <p>The investment portfolio is managed in accordance with Kina's risk appetite, investment policy and investment approach. Kina's investment approach for client assets is to invest in a range of assets including PNG fixed income instruments, PNG unlisted equities, PNGX listed equities, PNG property investments and international investments in individual stocks, managed funds and diversified indices. Kina through its investment portfolios is exposed to risk and volatility in the markets, securities and other assets in which it invests.</p>
Litigation and regulatory proceeding risk	<p>Kina, like all entities in the banking or finance sectors, is exposed to the risk of litigation and / or regulatory proceedings brought by or on behalf of policyholders, deposit holders, government agencies or other potential claimants.</p> <p>There can be no assurance that significant litigation will not arise in the future and that the outcome of litigation proceedings from time to time will not have an adverse effect on Kina's businesses, financial performance, financial condition or prospects.</p>
Risk management strategy	<p>Kina has implemented risk management strategies and internal controls involving processes and procedures intended to identify, monitor and mitigate the risks to which it is subject, including liquidity risk, credit risk, market risk (including interest rate and foreign exchange risk) and operational risk.</p> <p>However, there are inherent limitations with any risk management framework as there may be risks that exist or develop in the future, risks that Kina has not anticipated or identified or controls that may not operate effectively.</p> <p>If Kina's risk management processes and procedures prove ineffective, inadequate, or are otherwise not appropriately implemented, Kina could suffer unexpected losses and reputational damage which could adversely affect Kina's businesses, financial performance, capital resources, financial condition and prospects.</p>
Capital base and capital ratios	<p>Kina's capital base is critical to the management of its business and access to funding. BPNG requires Authorised Institutions within the Kina Group to maintain adequate regulatory capital in accordance with prudential standards issued by BPNG under the PNG BFI Act.</p> <p>Under current regulatory requirements, as a counterparty's risk grade worsens, Kina's risk-weighted assets and loan provisions increase. Additional regulatory capital requirements arising as a consequence of increased loan provisions may be exacerbated during times of financial stress, particularly if there are lower profit levels. As a result, greater volatility in capital ratios may arise and may require Kina to raise additional capital. There can be no certainty that any additional capital required would be available or could be raised on reasonable terms.</p> <p>Kina's capital ratios may be impacted by a number of factors including lower profitability, higher asset growth and changes in business strategy (including acquisitions or an increase in capital intensive businesses).</p>

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Key Corporate and Transaction Risks

Reputational damage

Kina's ability to attract and retain customers and investors and its prospects could be adversely affected if Kina's reputation is damaged. There are various potential sources of reputational damage including potential conflicts of interest, pricing policies, failing to comply with legal and regulatory requirements (including without limitation, money laundering laws, trade sanctions legislation or privacy laws), ethical issues, litigation, failing to comply with information security policies, improper sales and trading practices, personnel and supplier policies, improper conduct of companies in which it holds strategic investments, technology failures, security breaches and risk management failures. Kina's reputation could also be adversely affected by the actions of the financial services and allied industries in general or from the actions of its customers and counterparties.

Failure to appropriately address issues that could or do give rise to reputational damage could also give rise to additional legal risks, subject Kina to regulatory enforcement actions, fines and penalties and could lead to loss of business which could adversely affect Kina's financial performance, financial condition and prospects.

Retention of key management personnel

Kina's future success depends, in part, on its capacity to retain and motivate existing management personnel as well as attract new management personnel. In particular, Kina's performance is dependent on the talents and efforts of key management personnel. The loss of key management personnel may cause material disruption to Kina's business and operations in the short to medium term and may have an adverse impact on the financial performance and prospects of Kina.

Taxation

Kina is subject to taxation legislation in Papua New Guinea and any significant change in taxation law or its interpretation and application by an administrative body could have an adverse effect on the results of its operations.

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Key Corporate and Transaction Risks

PNG liquidity and realisation

Whilst Kina is listed in PNG, trading on the PNGX is very limited, largely because of the illiquid nature of the PNG investment market. Accordingly, there may be relatively few or many potential buyers or sellers of Shares on PNGX at any time. This may affect or cause volatility in the market price of Shares. It may also affect the prevailing price at which Shareholders are able to sell their Shares on PNGX.

Environmental risk

Kina and its customers operate businesses that hold assets in a diverse range of geographical locations within PNG. Any significant environmental change or external event (including fire, storm, drought, flood, earthquake or pandemic) in any of these locations has the potential to disrupt business activities, impact on Kina's operations, damage property and otherwise affect the value of assets held in the affected locations and Kina's ability to recover amounts owing to it.

Insurance

Kina seeks to maintain appropriate policies of insurance and any future increase in the cost of such insurance policies, or an inability to fully renew or claim against insurance policies as a result of the current economic environment and the impact of COVID-19 (for example, deterioration in an insurer's ability to honour claims), could adversely affect the Group's business, financial position and operational results.

General risks associated with investments in equity capital

Investors should be aware that there are risks associated with any investments in equity capital.

The value of the shares in Kina may rise above or fall below the price under the Offer, depending on the financial position and operating performance of Kina as well as prevailing market conditions. Further, the price at which the New Shares trade on PNGX may be affected by several factors unrelated to the financial and operating performance of Kina and over which Kina and the Directors have limited or have no control. These external factors include: (i) the impact of COVID-19, including on health of workforce, the industry, customers, supply chains and travel and other restrictions; (ii) economic conditions and outlook in PNG, Australia, the US and overseas; (iii) changes in interest rates and the rate of inflation; (iv) investor sentiment in the local and international stock markets and the banking sector; (v) changes in fiscal, monetary, regulatory and other government policies; (vi) changes in government legislation and policies, including tax laws; (vii) the development of new technologies and displacement of existing technologies; and (viii) geo-political conditions such as acts or threats of terrorism or military conflicts.

Investors should also note that the historic share price performance of Kina shares provides no guidance as to its future share price performance.

There have been significant fluctuations and volatility in the prices of equity securities in recent months, which may have been caused by general rather than company-specific factors, including the general state of the economy, the response to the COVID-19 pandemic, investor uncertainty, geo-political matters, and global hostilities and tensions. In particular, the COVID-19 pandemic has resulted in significant market falls and volatility both in PNG, Australia, the US and overseas, including in the prices of equity securities. As detailed above, there continues to exist considerable uncertainty as to the further impact of COVID-19 on the PNG and global economy and share markets including in relation to governmental action, work stoppages, university and school stoppages, lockdowns, quarantines, travel restrictions and the impact on the economy and share markets. Any of these events and resulting fluctuations may materially adversely impact the market price of the shares in Kina.

Dilution risk

Investments in equity capital will have the effect of diluting the share ownership of existing shareholders of Kina.

Future equity offerings by Kina may dilute the percentage ownership of Kina by existing shareholders of Kina. In certain circumstances, securities issued by Kina in the future may have rights, preferences or privileges attached to them that are senior, to or otherwise adversely affect, those attached to the shares.

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Key Corporate and Transaction Risks

Dividends

Any future determination as to the payment of dividends by Kina will be at the discretion of the Directors and will depend on the financial condition of Kina, future capital requirements and general business and other factors considered relevant by the Directors. At all times, and particularly in light of the COVID-19 pandemic, there can be no guarantee as to the likelihood, timing, franking of quantum of future dividends or franking credits.

Change in accounting policy

Kina is subject to the usual business risk that there may be changes in accounting policies which impact Kina.

Entitlement Offer and Placement may not be fully underwritten and may not complete

The Entitlement Offer and Placement (but not the PNG Retail Offer) are subject to a range of conditions and termination events set out in the underwriting agreement entered into by Kina and the Underwriter on 10 September 2020 (Underwriting Agreement). If certain conditions are not satisfied or certain events occur, then the Underwriter may terminate the Underwriting Agreement, which may have an adverse impact on the ability of Kina to proceed with the Entitlement Offer and Placement and the amount of funds raised as part of the Entitlement Offer and Placement.

In the event the Underwriting Agreement is terminated by the Underwriter, there is no guarantee that the Entitlement Offer and Placement will continue in its current form or continue at all. Failure to raise sufficient funds under the Entitlement Offer and Placement (as a result of it not proceeding or otherwise) could materially adversely affect Kina's business, cash flow, financial position and results of operations.

Key terms of Underwriting Agreement

The Underwriter's obligations under the Underwriting Agreement, including to underwrite the Entitlement Offer and Placement (other than with respect to the PNG Retail Offer), and manage the Entitlement Offer and Placement (other than the PNG Retail Offer), are conditional on certain matters, including the timely delivery of due diligence process materials, obtaining any necessary ASX and Papua New Guinea National Stock Exchange (PNGX) Listing Rule waivers and any necessary PNG regulatory approvals and obtaining a trading halt on ASX and PNGX by opening of trading on the announcement date.

If certain conditions are not satisfied or certain events occur, the Underwriter may terminate the Underwriting Agreement. The events which may trigger termination of the Underwriting Agreement include (but are not limited to) the following:

- a statement in the offer materials is or becomes misleading or deceptive or likely to mislead or deceive or a matter required to be included is omitted from the offer materials (including the PNG offer materials)
- the due diligence committee report prepared by the due diligence committee established for the offers or any information supplied by Kina to the Underwriter for the purposes of due diligence investigations or the offer materials (including the PNG offer materials), is misleading or deceptive
- the cleansing statement for the Entitlement Offer or the Placement is defective or a corrective statement is issued or is required to be issued
- an obligation arises on Kina to give ASX a notice in accordance with section 708AA(12) of the Corporations Act or a new circumstance arises or becomes known which, if known at the time of issue of this Presentation and cleansing statement would have been required to be included in the Presentation or the cleansing statement
- any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Group
- any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in the offer materials or the PNG offer materials is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe;
- any change of law or policy in Australia and Papua New Guinea is announced or occurs which, in the reasonable opinion of the Underwriter, is likely to prohibit or adversely affect or regulate the offer, capital issues or stock markets or the Underwriter's ability to promote or market the offer or enforce contracts to issue or allot the shares, or adversely affect the taxation treatment of the shares
- Kina is or will be prevented from conducting or completing the Entitlement Offer and Placement or PNG Offer by law, regulatory authority or other government agency
- Kina changes the terms of its constitution, or disposes, attempts or agrees to dispose a substantial part of the business or property of the group, without the prior written consent of the Underwriter
- Kina ceases to be admitted to the official list of ASX or PNGX, or its shares cease trading or are suspended from quotation or cease to be quoted on ASX or PNGX (other than with the Underwriter's consent to facilitate the Entitlement Offer and Placement and PNG Offer)

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Key Corporate and Transaction Risks

[Continued...]

- ASX or PNGX makes any official statement or otherwise indicates that it will not grant permission for the official quotation of the shares under the Entitlement Offer and Placement or permission for the official quotation of the shares under the offer is granted, then subsequently withdrawn, qualified or withheld
- an application is made by ASIC for an order in relation to the Entitlement Offer and offer materials, ASIC commences any investigation or hearing in relation to the offer or offer materials or ASIC issues or threatens to issue proceedings or a prosecution in relation to the offer or commences any formal inquiry or investigation into the offer or any governmental agency takes an action similar to those described above
- Kina engages in conduct that is misleading or deceptive or is likely to mislead or deceive in connection with the offer or the PNG Retail Offer;
- Kina withdraws or indicates that it does not intend to proceed with the offer or any part of the offer or withdraws a document forming part of the offer materials for the Entitlement Offer and the Placement
- a general moratorium on commercial banking activities in Australia, Papua New Guinea, Canada, New Zealand, the United States of America, the United Kingdom, Singapore or Hong Kong is declared or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries
- trading in all securities quoted or listed on ASX, PNGX, the Toronto Stock Exchange, the New Zealand Stock Exchange, the London Stock Exchange, the Singapore Exchange, the Hong Kong Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for more than one day on which that exchange is open for trading
- hostilities in or involving Australia, Papua New Guinea, Canada, New Zealand, USA, Hong Kong or the United Kingdom, including a major escalation of existing hostilities or a major terrorist act being perpetrated on any of those countries or diplomatic, military or political establishment of any of those countries elsewhere in the world
- adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in Australia, Papua New Guinea, Canada, New Zealand, the United States of America, Hong Kong or the United Kingdom
- a pandemic, epidemic or large-scale outbreak of a disease (including without limitation SARS, swine or avian flu, H5N1, H7N9, COVID-19 or a related or mutated form of these) not presently existing occurs or in respect of which there is a major escalation, involving any one or more of Australia, New Zealand, Papua New Guinea, the United States of America or a country in the Oceania region
- the ASX/S&P 300 Index closes for two consecutive trading days at any time before Completion (i.e. Completion is when all of the shares under the Placement and Entitlement Offer have been issued by Kina), or, closes on the trading day prior to the Institutional Settlement Date (as defined in the timetable) or the Retail Settlement Date (as defined in the timetable), at a level that is 10.0% or more below its level as at the close of trading on the trading day before the date of the Underwriting Agreement
- a warranty or representation contained in the Underwriting Agreement on the part of Kina is untrue or incorrect when given or taken to be given or becomes untrue or incorrect
- Kina does not provide a certificate or new circumstance sign-off when required or such document is untrue, incorrect, misleading or deceptive
- a date in the timetable is delayed beyond certain thresholds without the prior written consent of the Underwriter
- Kina alters its equity capital structure including proposing or activating any buy-back, capital reduction or scheme of arrangement or any other form of recapitalisation, without the prior written consent of the Underwriter (not to be unreasonably withheld)
- a scheme of arrangement or reconstruction is announced by Kina, or another offer to holders of shares is announced by another person which, if implemented, may result in a person or their associates acquiring a beneficial interest in shares of, or voting power in Kina of, 50% or more
- Kina fails to perform or observe any of its obligations under the Underwriting Agreement
- the Group contravenes the Corporations Act, the Companies Act, the Capital Market Act, the Constitution (or equivalent applicable documents), the Listing Rules, PNGX Listing Rules or any applicable laws, or a requirement, order or request made by or on behalf of the ASIC, ASX or any other government agency or any agreement entered into by it

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Key Corporate and Transaction Risks

[Continued...]

- The offer materials or any aspect of the offer does not comply with the Corporations Act, the Listing Rules, the ASX Waivers, the PNGX Listing Rules, the PNGX Waivers or any other applicable law or regulation
- There is a change in the chief executive officer, chief financial officer or board of Kina, a director of Kina is charged with an indictable offence or is disqualified from managing a corporation, any government agency commences any public proceedings against Kina or any director in their capacity as a director Kina, or announces that it intends to take such action
- a director, CEO or CFO of Kina, or a member of the Group, is charged in relation to fraudulent conduct, whether or not in connection with the offer or PNG Retail Offer
- ASX withdraws, revokes or amends any necessary ASX waiver or PNGX withdraws, revokes or amends any necessary PNGX waiver
- PNGX withdraws, revokes or amends any approval of the PNGX Listing Rules which are necessary in relation to the PNG offer materials or to enable Kina to make the PNG Retail Offer
- any other regulatory approval, relief or modification from any relevant government agency in any relevant jurisdiction in relation to offer, the offer materials and the terms and conditions of this document to enable the offer to proceed in accordance with the timetable is withdrawn, revoked or amended;
- a trading halt ends before the expiry of the relevant period referred to in the offer timetable without the prior written consent of the Underwriter;
- an insolvency event occurs to a Group member or there is an act which has occurred or any omission made which would result in an insolvency event occurring in respect of any Group member.

The ability of an Underwriter to terminate the Underwriting Agreement in respect of some events will depend on whether, in the reasonable opinion of the Underwriter:

- the event has had or could have, individually or in the aggregate, a material adverse effect on the financial condition, financial position or financial prospects of Kina or the Kina Group
- the event has had or could have, individually or in the aggregate, a material adverse effect on the success or outcome of the Placement and Entitlement Offer, the trading price of Kina Shares or the ability of the Underwriter to market, or promote or settle the Entitlement Offer and Placement, or
- the Underwriter will or could contravene, be involved in a contravention of, or incur a liability under the Corporations Act or any other applicable law as a result of the event.

For details of fees payable to the Underwriter, please refer to the Appendix 3B released to ASX on 9 September 2020.

Kina also provides certain representations, warranties and undertakings to the Underwriter and an indemnity to the Underwriter and its affiliates subject to certain carve outs.

Shortfall

The Placement and any Institutional Entitlement Offer Shares not taken up by eligible institutional investors will, subject to the terms of Underwriting the Agreement, be allocated as determined by the Underwriter in consultation with Kina. Any remaining shortfall after the Institutional bookbuild will be allocated by the Underwriter. Eligible Retail Shareholders who take up all their entitlement may apply for additional Shares up to 200% of their entitlement. If Eligible Retail Shareholders apply for more additional New Shares than available under the oversubscription facility, Kina will scale back applications for additional Shares in its absolute discretion having regard to the pro-rata entitlement of Eligible Retail Shareholders who apply for additional Shares.

Dilution risk

If you do not take up your Entitlement under the Entitlement Offer, then your percentage security holding in Kina will be diluted by not participating to the full extent in the Entitlement Offer. Investors may also have their investment diluted by the Placement or future capital raisings by Kina. Kina may issue new securities in the future to finance acquisitions or pay down debt which may, under certain circumstances, dilute the value of any investor's interest.

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Selling Restrictions

The contents in this document may only be used for the transaction in which Rimon Law has provided foreign securities law advice. The defined "New Shares" and the "Company" in this document may need to be changed for purposes of consistency with the remainder of the investor presentation / offer document.

International Offer Restrictions

This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere, that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities. The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If in doubt about any contents of this document, you should obtain independent professional advice.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Philippines

THE SECURITIES BEING OFFERED OR SOLD HAVE NOT BEEN REGISTERED WITH THE PHILIPPINES SECURITIES AND EXCHANGE COMMISSION UNDER THE PHILIPPINE SECURITIES REGULATION CODE (THE "CODE"), AND ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.

The New Shares being offered and sold to qualified buyers in an exempt transaction under Section 10.1(1) of the Code. The Company has not sought confirmation, and the SEC has not confirmed, whether the offer of New Shares qualifies as an exempt transaction under the Code.

Information about the Company is available in its most recent annual report, which is available on the websites of the Australian Securities Exchange and the Company.

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Selling Restrictions

International Offer Restrictions

This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Papua New Guinea

The offer document relating to the Entitlement Offer has not been, and will not be, registered by the Securities Commission of Papua New Guinea and does not comply with the provisions of the Capital Markets Act 2015 of Papua New Guinea.

The prospectus relating to the PNG Retail Offer will be lodged with the Securities Commission of Papua New Guinea for approval and once approved, will be registered with the Registrar Companies in PNG.

The contents of this presentation have not been reviewed by any PNG regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

United States

This document has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Australia

The offer of New Shares under the Placement and the Institutional component of the Entitlement offer is being made in Australia only to persons who meet the requirements of section 708(8) or section 708(11) of the Corporations Act 2001 (Cth) as either a professional or sophisticated investor or the requirements of section 761G of the Corporations Act 2001 (Cth) as a wholesale client.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (FMC Act). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

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Supplementary Information

Kina Securities Limited | Half Year Results 30 June 2020.



<http://investors.kinabank.com.pg/investors/?page=asx-announcements>

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Kina Securities Limited
ARBN 606 168 594

All Registry communications to:
PNG Registries Limited
Level 4, Cuthbertson House, Cuthbertson Street
PORT MORESBY NCD PNG
PO Box 1265
PORT MORESBY NCD PNG
Telephone: +61 1800 550 560 or +675 321 6377

ASX Code: KSL

SRN/HIN:

Entitlement Number:

**Number of Eligible Shares held as
at the Record Date, 7:00pm (AEST)
on 14 September 2020:**

**Entitlement to New Shares
(on a 1 New Share for 2 basis):**

**Amount payable on full acceptance
at PKG 1.97 per Share:**

Offer Closes 5:00pm (AEST):	6 November 2020
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ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder, you are entitled to acquire 1 New Share for every 2 Existing Shares that you hold on the Record Date, (7:00pm Port Moresby time on Monday, 14 September 2020) at an **Offer Price** of PKG 1.97 per New Share ("Entitlement Offer"). You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Entitlement Offer is being made under the Prospectus dated 25 September 2020. The Prospectus contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Prospectus. This Entitlement and Acceptance Form should be read in conjunction with the Prospectus.

Payments must be in Papua New Guinean Kina.

PAYMENT OPTIONS

PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the Acceptance Slip attached to this Entitlement and Acceptance Form with your Application Payment.

- Number of New Shares accepted (being not more than your Entitlement shown above)
- Number of additional New Shares
- Total number of New Shares accepted (add Boxes A and B)
- PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be payable to "Kina Retail Offer" and crossed "Not Negotiable".
- Enter your contact telephone number at which we may contact you regarding your application for Shares, if necessary.

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.



ARBN 606 168 594

Please detach and enclose with payment



SRN/HIN:

Entitlement Number:

A Number of New Shares accepted (being not more than your Entitlement shown above)	B Number of additional New Shares	C Total number of New Shares accepted (add Boxes A and B)
<input type="text"/>	<input type="text"/>	<input type="text"/>
	+	=
<input type="text"/>		<input type="text"/>

D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be in Papua New Guinean Kina, made payable to "Kina Retail Offer" and crossed "Not Negotiable"

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
				PGK

E CONTACT DETAILS – Telephone Number	Telephone Number – After Hours	Contact Name
<input type="text"/>	<input type="text"/>	<input type="text"/>

KINA SECURITIES LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is only being made to shareholders who have a registered address in Papua New Guinea ("PNG") or is a shareholder that the Company has otherwise determined is eligible to participate in the Entitlement Offer. In particular, the Entitlement Offer is not being made to any person in the United States or any person acting for the account or benefit of any person in the United States. The Prospectus and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

HOW TO APPLY FOR NEW SHARES

PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the Acceptance Slip attached to this Entitlement and Acceptance Form with your Application Payment.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of additional New Shares above your Entitlement for which you wish to apply into Box B. Your Application for additional New Shares may not be successful (wholly or partially). The decision of Kina Securities Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn in Papua New Guinean Kina currency, made payable to "Kina Retail Offer" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Kina Securities Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. HOW TO LODGE YOUR ACCEPTANCE SLIP AND APPLICATION PAYMENT

Acceptance Slip and the payment for New Shares must be received by the Registry no later than the closing date shown overleaf.

Mailing Address

Kina Securities Limited
C/- Link Market Services Limited
PO Box 1265, Port Moresby NCD
Papua New Guinea

Make sure you send your Acceptance Slip and Application Payment allowing enough time for mail delivery, so the Registry receives them no later than 5:00pm on 6 November 2020. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Kina Securities Limited reserves the right not to process any Acceptance Slips and Application Payments received after the Closing Date.

If you require information on how to complete this Acceptance Slip please contact the Kina Securities Limited Offer Information Line on +61 1800 550 560 or +675 321 6377 between 8:30am and 5:30pm (AEST) Monday to Friday